

OUR SYSTEM OF TAXATION – Part 1.

Today some of us willingly pay taxes ...

by Vic Berecz

Yes, you heard me right. I am a willing taxpayer. No, I don't pay more than is due ... and, if you think I'll pay yours, you're out of your mind. I'm not dumb!

I hope you're all smart enough to realize that nothing is free. Paying for the services our government provides all Americans is only fair. It's not a lot different than paying for the food you eat or the car you drive. I'm actually convinced that we're getting a pretty good bargain for our taxes. I like the freedom, security, opportunities, culture, and services that are mine as a citizen of the good old *US of A*. If you disagree, why not just choose another country where you can save a few bucks on taxes ... and move there?

Does that mean that I believe every dollar spent by the government is well-spent? Absolutely not. But, in all likelihood there is someone who sees every expenditure as necessary and proper. Yup, we are each paying (in part) for stuff that others want and we think is frivolous ... and they're paying toward stuff we want. That's one of the *facts-of-life* you buy into when you become part of any community ... whether that community is your family, a condo association, a local government, your state, or this nation of ours.

But, our understanding of the need for taxation and our willingness to pay to be a part of the communities we love, doesn't change the basic fact that our current tax system stinks. It's too burdensome and too complicated ... in other words, the cost of compliance is too high. There are lots of ways to simplify taxation – the *Value-added Tax*, *Flat Tax*, and *FairTax* proposals (among others) all do that. Each also has its own problems, but let's talk about that subject another time. Today I'd like to stick to the most general issues involving taxation.

Human nature dictates that virtually everyone tries to minimize their tax burden (and that's not a bad thing) ... I already said, I don't pay more than is due. Most of us can probably agree on what a tax system *shouldn't* do ... for instance, it shouldn't be wasteful and it shouldn't be particularly onerous to any group. I know, words like “wasteful” and “onerous” have rather subjective definitions. Let's put that aside for a moment because, where the problems really get difficult is when we ask what *should* the tax system do. Now we not only have subjective terminology, but we may differ on a basic premise.

I feel strongly that our American tax system ought to:

- 1) provide us the security needed to live in relative freedom within our community;
- 2) pay for the community services most citizens desire for themselves and their posterity;
- 3) promote and support our national ambitions and our American way-of-life;
- 4) be fair, transparent, easy to use, and enforceable.

All four items I've listed have issues of definition. Many people, though, believe that items 2) and 3) are not appropriate goals of any tax system.

In future postings, I will give my ideas on each of these topics ... your suggestions prior to those postings are very welcome. But, as we discuss restructuring the tax system, our explicit goal should not be to reduce taxes. Rather it should be to come up with an effective taxation system that produces for Americans the kind of community they want to live in. Then ...

... perhaps in the future we'll all pay our taxes willingly!