

Income tax system is legalized piracy

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(U-WIRE) LEXINGTON, Ky. - Wednesday was the 109-year anniversary of an important piece of legislation that opened the door for the federal government to have their way with the wallets of American workers.

Congress passed the "Wilson-Gorman Tariff Act" in August of 1894, giving the government the right to impose a graduated, progressive income tax on Americans.

Not only did Congress vote to seize a portion of every laborer's paycheck, it decided to penalize American's who worked harder by basing the tax on our level of income.

The Supreme Court rightly struck down this initial attempt to rob the U.S. work force, but in 1909 Congress succeeded in passing the 16th amendment, giving the federal government the right to tax citizens progressively according to their pay.

Sixty years after Karl Marx called for such a tax in his "Communist Manifesto," America adopted one.

The Cold War may be over, but socialism is far from dead. Marx's theory of "from each according to his ability to each according to his need" is indeed alive and well in the nation that spent so many lives and resources fighting the disease that is communism.

Leaders like Howard Dean champion the cause of income redistribution and decry any attempt to redress a tax system that is unfair to all Americans, not just the rich. While the politics of class warfare have served such politicians well, they've perpetuated an economic injustice that we've all suffered under.

Most economists agree that the federal tax system is in dire need of reform. Most polls indicate that a majority of Americans agree with them. That's a pretty strong case for a tax system overhaul, and the Fair Tax plan that's been quietly gaining support would be a good place to start.

The "Fair Tax Act of 2003" has been introduced to the House of Representatives. It calls for the repeal of all income, payroll, estate and gift taxes and the introduction of a national "consumption tax." In short, the only taxes Americans would pay would be the sales tax on consumer goods we purchase.

Such a system would bolster American businesses and quickly raise the standard of living for all citizens. Most economists have proposed a national sales tax of about 25 percent. While that may seem incredibly high, in reality it would barely raise the prices of goods as they stand today, if at all.

Research shows that over 20 percent of the price of consumer goods in this country is directly tied up in taxes that are levied against businesses and manufacturers. Those costs would be eliminated under the fair tax plan, meaning products would therefore be 20 percent less expensive to make.

The sticker price of products would be driven down as businesses competed for your dollar -- ah, the beauty of capitalism. So, while today you're paying \$400 for that 36-inch TV, once a fair tax system kicked in you'd be paying \$300, plus a \$75 consumption tax.

And you wouldn't have to let the federal government raid your wallet every time you got a paycheck.

While such an overwhelming idea may seem impossible to implement, there is hope. The House Ways and Means Committee is currently investigating the bill. A government survey of hundreds of companies based overseas asked owners and CEOs what they would do if the U.S. adopted the fair tax plan; 80 percent said they'd build their next company on American soil.

The jobs that would be generated from such an influx of businesses, and the money that would be returned to the pockets of workers would propel this nation's economy to heights we've never imagined.

This particular incarnation of the fair tax idea may not get off the ground, but the seed is definitely being sewn. When more Americans begin to question the class warfare propaganda certain politicians sustain their power through, tax reform will become a central issue, and there's no better solution than the Fair Tax plan.

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