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Summary

Americans should think about what taxation really represents before signing their tax forms and paying up this year. If we truly want to promote a civilized society, we should look for ways to replace coercive taxation with voluntary means of meeting our needs and the needs of others.

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***“Taxation is the price we pay for failing to build a civilized society. The higher the tax level, the greater the failure.”
- Mark Skousen***

813 SW Alder Street, Suite 450
Portland, Oregon 97205
(503) 242-0900
www.cascadepolicy.org

Taxation is uncivilized

by *Steve Buckstein*

This year, as you endure the inconvenience and dread of filling out your federal and state income tax forms, consider looking at Tax Day in a new and revealing light.

Look beyond your relief at getting your forms in the mail before the midnight deadline. Look beyond the fact that you either underpaid all year and now must write a check to the government, or you overpaid and the government will eventually give you back some of your own hard earned money.

Now is the time to look at taxation for what it really is. But, what is it?

Some see it benignly as the way we pay for government services. Others see it as an immoral transfer of money from those who earned it to those who didn't.

Still others see it as an offensive method of funding activities they abhor, such as immoral wars.

Noted Supreme Court Justice Oliver Wendell Holmes saw taxation in yet another way. His definition is enticing, but fraught with danger if we succumb to its allure. Yet, of all the ways to look at taxation, his is the only one chiseled above the entrance of the Internal Revenue Service building in our nation's Capitol. It reads: "Taxation is the price we pay for civilization"

But is it? Most of us would agree that civilization implies a high degree of civility, or peace and harmony between members of our society. Civilized people reason with one another, they don't use force or fraud to get what they want from their neighbors.

Taxation, however, ultimately rests on the threat of force.

Pay up or we'll take your money against your will, or even throw you in jail if you resist too strenuously. Taxation, therefore, relies on the very things that civilized people are trying to leave behind.

Free-market economist Mark Skousen best framed the response to Holmes when he wrote: "Taxation is the price we pay for failing to build a civilized society. The higher the tax level, the greater the failure."

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If taxation really represents our failure to be fully civilized, just how great is that failure? The Library of Congress provides one clue on its website where it tries to educate young people about taxation.

Describing the first Tax Day that federal income taxes were due in 1913 it says,

“Income taxes have become such a common part of our lives, that it is hard to imagine that, at one time, there was no income tax in the U.S. From its beginning, this country has been very expensive to run, and the government has been responsible for raising the money to pay those expenses. Before the Revolutionary War, whiskey and tobacco taxes provided most of the revenue. After the war, however, the government needed more money.”

So how much more money does government “need” now?

Well, in 1913 all federal, state and local taxes consumed about eight percent of our income. Today, taxes consume over one-third of our income. Based on that increase, it appears the government is very expensive to run indeed — about four times more expensive today than it was in 1913.

And, as the cost of government has ballooned, we have less freedom to enjoy the fruits of our labor today than we did when America was younger.

If we break down our household expenses according to the number of days worked annually to pay for each of them, our tax burden eclipses all other major spending categories.

According to the Tax Foundation, Americans must work 116 days, until April 26th this year (known as Tax Freedom Day), to pay our federal, state and local taxes. Compare this to the 62 days we will work for our housing and household operations, the 52 days we will work for health and medical care, and the 30 days we will work for our food, and you might wonder just how much of Holmes’ “civilization” we can afford.

Promoting a truly civilized society means finding ways to meet everyone’s needs through voluntary transactions rather than coercive ones.

It means resisting the urge to tax our neighbors to pay for our worthy cause.

When we can do those things we will be on our way to reducing taxes every year rather than increasing them. We can measure our success annually, thus changing Tax Day from a day of dread into a day of collective celebration.

Steve Buckstein is senior policy analyst at Cascade Policy Institute, a Portland, Oregon based think tank.

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Please contact:

Jon Hadley
Production Manager
Cascade Policy Institute
813 SW Alder Street, Suite 450
Portland, Oregon 97205

Phone: (503) 242-0900
Fax: (503) 242-3822

www.cascadepolicy.org
jhadley@cascadepolicy.org