

TWO CERTAINTIES IN LIFE: DEATH AND TAXES

CATEGORIES OF FEDERAL TAXES AND SPENDING

Federal

- Individual income taxes
- Social Insurance taxes
- Corporate income taxes
- Excise taxes
- Estate and gift taxes
- Customs duties

Federal Spending

- Social security
- National defense
- Medicare
- Interest on the debt
- Health and human services
- Transportation
- Agriculture
- Education and training

CATEGORIES OF STATE AND LOCAL TAXES AND SPENDING

State and Local taxes

- Sales taxes
- Property taxes
- Individual income taxes
- Corporate income taxes

State and Local Spending

- Education
- Health and welfare
- Transportation
- Civilian Safety

WHY DO PEOPLE DISLIKE PAYING TAXES?

1. Government can coerce people.
 - Most economic transactions depend on voluntary exchange.
 - Government has the exclusive right to coerce individual to pay taxes.
2. Costs are obvious; benefits are not.
 - Government spending of tax dollars diminishes the link between payment and individual consumption.
 - Usually, when consumers make a purchase, they see a direct benefit from the goods or services they receive.
 - When people pay taxes, the benefits (from national defense or cancer research, for example) are often delayed, indirect, or spread out so thinly that people may see little benefit from their payments

CRITERIA FOR A FAIR TAX

1. Ability to pay
 - Proportional (flat tax)
 - Progressive tax
 - Regressive tax
2. Efficiency
3. Simplicity
4. Benefits received

You don't like taxes? Then do without public services

Paying increase provides citizens with better state

As our state falls deeper into a budget crisis, there seems to be no middle ground between those who are committed to tax cuts as the solution to every problem, and those who don't mind paying a reasonable tax increase, thus pooling resources with other taxpayers to create a pot of money from which the state can provide services.

Since the two sides seem unable to budge, I have a modest proposal. Allow those who are willing to pay their fair share of taxes to continue to avail themselves of state services.

Those who want tax cuts could have them, and a designation on their driver's license would indicate that they have signed a document agreeing to provisions such as:

- The signer would never

enter a park or use a bike path, river trail or any other nature-preserve funded by taxes.

- They would never attend a play, opera, concert, view works of art, or attend any cultural event that was supported in whole or in part by state funds.

- They would not use their vehicles on roads or bridges built and maintained with taxes (although they would have access to a list of fine Michigan contractors they could hire to build their own roads and bridges).

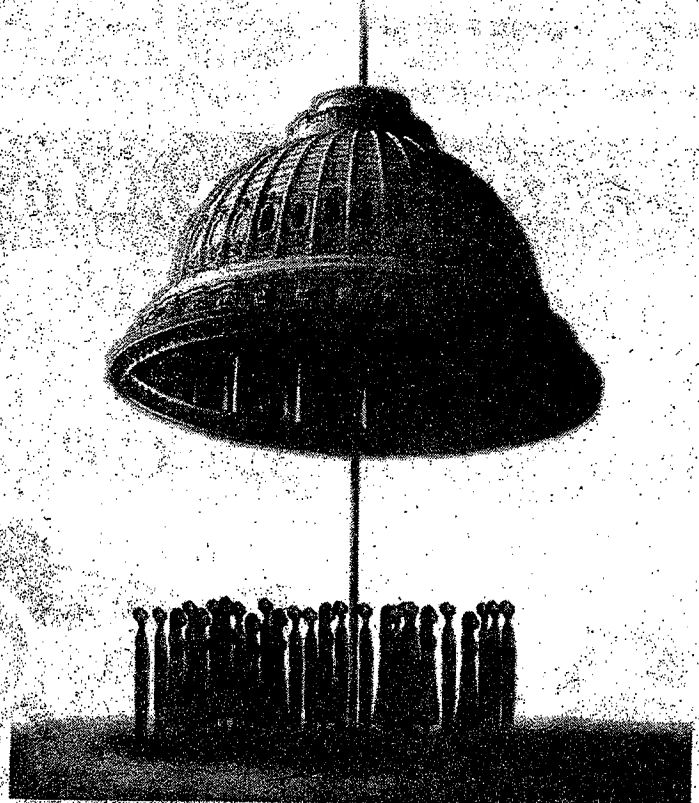
- No public transportation for them either.

- If their neighborhoods were devastated by a natural disaster, they would not call 911 or avail themselves of funds for rebuilding provided by the government.

- They would not send their children to public schools.

- If, God forbid, they should lose their jobs, there would be no unemployment money, food stamps, or any other state assistance for them.

- Anyone in their family who wanted to go to college would either have to attend a private college, or make up



Los Angeles Times Syndicate

the difference in tuition that is paid by the state at state-supported colleges.

- If they suffered a crime, they would not receive assistance from law enforcement agencies. It would also be questionable whether the perpetrator should be tried or jailed.

- Should prison personnel be required to guard prisoners who perpetrate crimes against people who feel state employees are valueless?

- Let's hope their homes don't catch fire because firefighters are paid by taxes.

- Of course, they couldn't really have a designation on their driver's license because that

would require visiting a Secretary of State's office.

The point is, we often don't realize what specific services the state provides and we need to relate taxes to services. The tax-cut lobby is good at arguing that taxes are simply wasted, so why pay them? I believe there will always be some waste, no matter where the tax rate is set. And what is a wasteful program to one citizen may be a lifesaver to another.

An increase in the state income, business or sales tax would be a small sacrifice for all, but would result in the kind of state we could all enjoy living in.