

"Writing the truth  
as I see it;  
trying not to  
offend  
those who will  
disagree."

# The truth as I see it<sup>®</sup>



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## What is a "fair share?"

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*"We have a system that increasingly taxes work and subsidizes non work."*

~ Milton Friedman  
Nobel Prize economist

Was Friedman forecasting today's reality? In one tax year reported in the Statistical Abstract of the United States, millionaires earned 100 times as much as people earning \$30,000, but paid 300 times as much tax. The top 20% of wage earners now pay nearly 70% of all income taxes, leaving 80% of Americans to pay the remaining 30%; 46% pay no income tax at all. Is this a progressive "fair share" income tax or is this a redistributive, punitive income tax? Our politicians are finally nearing their ideal of 49% of the voters paying all taxes and 51% paying none, the perfect reelection guarantee.

Doesn't this data suggest that the super rich are paying more than their "fair share?" According to Jim DeMint, President of The Heritage Foundation and former United States Senator, "American businesses and upper incomes pay a larger portion of the federal taxes of our national taxes than any country in the world."

So, how does our government determine the super rich are not paying their "fair share?" Its argument is simple; it believes the super rich have so much money, they easily can pay an even higher percentage of their income in taxes, and therefore, it's fair; this reasoning is identified with Karl Marx. But, is the government

supposed to make a judgment on how much an individual has the right to earn without financial penalty for doing so?

Is it fair to penalize financially someone willing to work 60 hours a week with a higher percentage tax rate while taxing at a lower percentage rate someone who prefers a lesser income and 30-hour workweeks with more time off? If they each earn the same per hour, the person working 60-hour weeks ends up earning less per hour than does the person working 30-hour weeks. Is that fair? Doesn't this progressive tax force the person working 60-hour weeks to subsidize the person who chooses not to work as hard?

Winston Churchill said, "Some people regard private enterprise as a predatory tiger to be shot. Others look on it as a cow they can milk. Not enough people see it as a healthy horse, pulling a sturdy wagon."

The reason for our income tax is to pay our "fair share" of the cost of government. Doesn't that suggest we should tax everyone at the same percentage of his or her income to create a "fair share" tax code? To do so would require eliminating the unending inequities in the tax code, created piecemeal by special interest groups' "donations" to members of Congress.

A thornier issue to consider is the rising number of people who are supported by the government, a government now spending two-thirds of the federal budget on social welfare and entitlement programs.

British Work and Pensions Secretary, Ian Duncan Smith, studied this issue in Britain, suggesting it was unfair to the working class to pay child benefit payments to women on welfare having more than two children, while the working class limited the size of their families based on their ability to support them. He also felt it was inappropriate when two and three generations of families were unemployed.

He said that choices came with consequences and that work was a "vital component for families' lives . . . for morale, for a sense of worth . . . It wasn't just about getting people to pay taxes . . . It was about changing the condition of people's lives . . . It was "to get the idea of taking responsibility and fairness for those who pay the bills."

John Marshall, fourth chief justice of the Supreme Court, said, "An unlimited power to tax involves, necessarily, a power to destroy; because there is a limit beyond which no institution and no property can bear taxation." Might the best solution be reducing each of our "fair shares" by demanding the government function within its constitutional constraints and stop irresponsibly spending our money?

Dr. Bosley's book titled *The Truth as I See It<sup>®</sup>*, Idaho Common Sense<sup>®</sup> is hardcover, 374 pages, \$24.95 – available at [www.craigbosley.com](http://www.craigbosley.com). To contact him directly, you can email him at [craig@craigbosley.com](mailto:craig@craigbosley.com). His columns are available at [www.craigbosley.com](http://www.craigbosley.com).

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