Americans Need a Tax Cut Now

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Despite the Republicans enjoying a majority in all three branches of the federal government, the liberals seem to have a lock on debates about public policy because they are more skillful (or dishonest) in the use of words. The current controversy about tax cuts is a good example.
That master wordsmith Bill Clinton popularized the use of the word "investments" as a synonym for taxes. The IRS tax collector, using the police power of the government, takes a big slice of your income while sweet-talking you with the lie that this organized theft is really an investment (even though it will rapidly vanish rather than grow).

Some of it goes for useful purposes such as protecting us from foot-and-mouth disease. But lots more of it goes for extravagant purposes such as a $514,148-a-year luxury pad for Hillary Clinton in Manhattan.

The most offensive manipulation of words is the way the liberals bleat that they can't "afford" a tax cut because it would "cost" too much. The liberals' mindset is that a tax cut is something like a government grant or subsidy to be awarded at the discretion of our royal masters to persons of their choice.

The liberal worldview was aptly expressed by President Clinton after his 1999 State of the Union Address when he shuffled off to Buffalo and told his audience that government must keep control of the tax surpluses because the people won't "spend it right."

President Bush set forth the Republican response in his first address to a joint session of Congress on February 27. "The choice is to let the American people spend their own money to meet their own needs."

Continuing, he explained: "The growing surplus exists because taxes are too high, and government is charging more than it needs. The people of America have been overcharged and, on their behalf, I'm here asking for a refund."

The federal government's current take in taxes is the highest since World War II. It's the highest in percentage of family income and the highest in percentage of U.S. Gross Domestic Product.

The World War II generation accepted a crushing tax burden (and the gimmick of payroll deduction that made it possible) in the belief that the cause was worthy. In any event, the sacrifice of their money paled in comparison to the sacrifice of their sons on the battlefield.

War is the biggest cause of Big Government, and the politicians who tasted the prerogatives of distributing appropriated monies continued to keep their hands in our pockets long past the Korean War. Then another master politician, President Lyndon B. Johnson, discovered that he could coopt a massive pot of taxpayers' money by drastically reducing the defense budget and (in an elegant metaphor coined by Newsweek) skillfully slice up the melon in domestic handouts that rapidly grew into targeted entitlements.

When we hear wives and mothers assert that today's economy "requires two incomes," that they "have to take a paid job in order to maintain a reasonable standard of living," let's be blunt about the cause of their financial bind. Mothers don't "have to work" in order to support their families; they "have to work" in order to pay their taxes and support the federal bureaucracy.

In 1992, candidate Bill Clinton defined "the rich" as those "over $200,000," but he was referring to lifetime savings NOT annual income. The Democrats' tax plan sponsored by then-Majority Leader Richard Gephardt (H.R. 4848) and then-Senate Majority Leader George Mitchell (S. 2571) would have reduced from $600,000 to $200,000 the property exempt from the death tax.

That would have enabled the tax collector to confiscate 32 to 55 percent of everything every American owned at death (cash, investments, home, farm and small business) in excess of $200,000. Fortunately, that bill never passed, but it remains a classic example of the tax greed of the liberals.

The first President Bush gave us a huge tax increase in 1990, raising the top tax rate from 28 to 31 percent and taking away the value of benefits such as the personal exemption and itemized deductions. Three years later in 1993, President Clinton raised the top tax rate to 39.6 percent.

The dirty little secret of our high federal income taxes is that at least a third of the American people don't pay any federal income taxes at all. If we are really going to cut taxes, we will have to cut taxes for the people who are paying taxes.

One way to cut taxes would be to reduce all the rates that were increased under Bush and Clinton. Another way would be to make the employee's share of Social Security taxes tax-deductible to employees, just as the employer's share is currently tax-deductible to employers.

Another way would be to make health insurance tax-deductible to individuals, just as employer's health insurance premium payments are tax-deductible to corporations. There is no solution to the increase in current health-care entitlements until we move to a system where individuals own their own health insurance as they own their own auto insurance.

The American people are caught in a tax trap; the harder they work, the more they're forced to forfeit in taxes. Congress should refund the surplus from the U.S. Treasury; it's our money.