from Phyllis Schlafly

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Tax Fairness for Families

Taxation was the issue that provoked America's Declaration of Independence and now, two centuries later, taxes are still the fundamental issue causing public disaffection with government. The right to spend. our own hard-earned money -- rather than have it taxed away from us excessively or unfairly -- is the fundamental freedom cherished by Americans.

Over the past 40 years, dramatic changes have taken place in our nation. Not the least of these changes is the size of government and the increase in the percentage of our money that is spent by government functionaries instead of by the citizens who earn their money by the sweat of their brow.

Since the tax increase of last October, the Federal government is now grabbing and spending 25 percent of our Gross National Product. That means one-fourth of all we produce is spent not by the individuals who earn the money and for the purposes of their choice, but by Washington functionaries for purposes of their choice.

The galloping inflation of the 1970s taught the American people a good lesson in the phenomenon of "bracket creep." Inflation pushed us all into higher tax brackets and made us pay higher taxes even though we hadn't had any increase in real income. Public understanding of bracket creep provided the momentum for the Reagan tax cut of 1981.

But the largest element of unfairness to most taxpayers, and the distortion that has been most artfully concealed, pertains to how you figure your "Taxable income" before you deal with your tax rate. What is deducted above Line 37 on the 1990 Form 1040 (Line 22 on the Short Form 1040A) counts for more dollars to most taxpayers than the rate paid on what is below that line.

Before you get to the "Taxable income" line, you enter the number of exemptions you have for taxpayer, spouse, and all dependent children, and multiply that number by the "exemption" figure. By steadily reducing the value of this exemption, Congress shifted the income tax burden onto the backs of employed families with young children.

During the entire 37-year period 1948 to 1985, the exemption increased only modestly from $600 to a pitiful $1,000. Throughout the years of high inflation, this exemption lost value, year after year.

The Tax Reform Act of 1986 raised the tax exemption incrementally over several years from $1,000 to $2,150 in 1991. However, if the exemption had kept pace with 40 years of inflation, this exemption would now be about $7,500 -- or $30,000 for a family of four with two children.

The federal income tax law was changed (“revised” or “reformed”) almost every year. So Congress had repeated opportunities to remedy this injustice, and Congress simply failed to do so because of its greed for more revenues.

This diminution in the value of the child, ds recorded in dollars and cents on millions of tax returns filed every year, was done by Congress without any public discussion or debate. There is no record that any Congressman ever addressed this issue all those years that the tax burden was steadily increased on families with children until pro- family Reaganites started talking about it in 1982.

It is shocking the way that the federal tax burden has been dumped on the backs of the most hard-pressed, hard-working, socially-productive element of our society: employed parents who are supporting dependent family members, raising young children, and paying taxes, too. Income taxes have increased dramatically on this group out of all proportion to taxes on every other segment of our society.

In 1950, an average-income couple with two children paid only 2 percent of its family income in federal taxes. Today, the average-income couple with two children pays 24 percent of its annual income in federal taxes. congress has met the demands of special-interest groups at the expense of families with children.

The value that our society places on children in the tax code is a much better indicator of how we value children -- and whether we think they should be raised by the family or by hired government functionaries -- than laws pertaining to education, crime, health, or welfare. Our tax code has proclaimed that society has devalued children, and devalued parental care of children.

The liberal “solution” to the financial crunch on families is to try to replace the family with an army of bureaucrats, regulators, and social service professionals hired with tax revenues. It’s obvious that this doesn’t work.

We constantly hear a lot of campaign oratory about tax fairness. The best way that congress can demonstrate fairness is by passing the Tax Fairness for Families Act of 1991, introduced by Rep. Frank Wolf (R-VA) and Senator Dan Coats (R-IN). It would increase the dependent child's exemption to $3,500 immediately and to $7,500 by the year 2000.