



## Straight Talk

by Muriel Sluyter

## Tax Cut for the Rich

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Greetings, Gentle Reader,

All tax cuts proposed by our president are labeled "a tax cut for the rich."

Most of us, including tax accountants, couldn't figure out our insane tax code if we knew we would be shot at dawn for failing to do so. That being the case, some brilliant soul put a simplified illustration of it on the Internet. It can be found at [www.bloodhounddaily.com/diner.shtml](http://www.bloodhounddaily.com/diner.shtml).

For us garden-variety types, here's the story of how our tax code, including Bush's proposed cuts, works.

Ten men go to dinner every day and order the same meal. Each meal costs \$10, making \$100 in all, but they decide to pay the bill the way we pay our taxes. So the first four, being poor, pay nothing. The fifth is better off, so he pays \$1. The sixth pays \$3, the seventh pays \$7, the eighth pays \$12 and the ninth pays \$18.

The tenth man is rich. He has worked long, hard hours, saved and invested wisely, and it has paid off. Therefore, he pays the balance of the bill, which is \$59.

This really is how our tax code works; the top 50 percent of taxpayers pay more than 96 percent of our taxes. The other 50 percent pay less than 4 percent.

Back to our story.

The restaurant cuts the cost of their meal to \$80 (reflecting Bush's proposed tax cut) so now the cost of each man's meal is reduced.

The first four still pay nothing, but now the fifth also pays nothing. The sixth only pays \$2, rather than the \$3 he has been paying; the seventh pays \$5, rather than \$7; the eighth pays \$9 rather than \$12, and the ninth pays \$12, rather than his customary \$18.

The tenth man also gets a \$7 cut from the \$59 he has previously paid, down to \$52. He is still paying most of the bill, but at least he too enjoys a cut in his rate.

Now the story begins to reflect the attempts of present-day political leaders to confuse this rather straightforward issue, so that taxpayers/diners will think the rich are getting all the benefits, and others are being cheated.

Let's continue.

The sixth man looks at his cut, from \$3 to \$2, and says, "I only got a \$1 cut out of the \$20 reduction in the cost of our meal, but he (pointing to the rich man) got a \$7 cut."

The fifth man says, "Yeah, that's right. I only saved a dollar, too. He got seven times more than I did."

"That's true," shouts the seventh man. "Why should he get \$7 back when I only got \$2? The wealthy get all the breaks."

"Wait a minute," yell the first four men in unison. "We didn't get anything at all. The system exploits the poor."

Now we have a mob. The laws of democracy — mob rule — take over and they turn on the tenth diner. They grab him, tie him up and threaten to lynch him.

The proprietor watches the goings-on and decides to step in. He takes the seven dollars out of the tenth diner's hand and gives it to the other nine.

Mollified, they untie the tenth man.

The next day, the first nine diners show up for dinner, eat, and get an \$72 bill.

The tenth diner doesn't show, doesn't eat and therefore, doesn't pay more than half the bill.

Oh, my goodness! Guess who must pay for their own dinner?

The moral of the story is: The people who pay the highest taxes get the most benefit from a tax deduction. Tax them too much, attack them for being wealthy, and they just might not show up for dinner anymore.

Guess who will have to pay all the bills run up by our spending-addicted politicians?