



## Straight Talk

By Muriel Sluyter

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### Greetings, Gentle Reader,

A dear friend and her husband have worked exceptionally hard to send their children to college. As the day approached for one son, she decided she would work overtime to meet the costs. He was working, but was young, and his wages were less than half what she made.

When she received her check, which included the overtime, she found the extra income earned by her aching muscles, tired feet and glassy eyes had boosted her into a higher tax bracket, and almost all the extra money had gone to taxes.

Not only had she worked herself to exhaustion for nothing, the badly needed money had gone for what writers of tax laws privately refer to as “wealth redistribution.” Now her son would have to find money elsewhere, or delay his education, while someone else would spend the money for which she had labored.

Would it be given to a destitute mother who also worked long hours? One could at least hope. Unfortunately, it may have gone to useless pork barrel projects that help no one but politicians.

A relative of ours worked his way through college doing highway construction in California. His company built an overpass out in the boondocks that had no crossroad to it. They had been given more money than they needed for the highway project, so they used it to build an overpass to nowhere.

How many hard working young mothers and fathers did it take to provide the money wasted on that overpass? Who should have been fired for that outrage? The construction company owner or the unprincipled politician who wrote the tax law, giving the tax collector power to extort that money from the workers of this country?

Many Taxpayers pay the Alternative Minimum Tax because it is figured on their income, *before* their legitimate deductions are applied. By 2010 almost one third of Americans will pay that tax. It is a regressive tax now, it will be even worse when it harms that many more taxpayers.

## Working People are “Rich”

Why do many farmers and small business owners sell out, rather than leaving their property to their heirs? Because they know death taxes will take up to half the value of their estate, which includes their equipment, and their heirs will be forced to sell, just to pay the taxes. This is a way to take property from rightful owners, using the excuse that the heirs did nothing to acquire and build the property.

Almost half of all Americans, mostly older ones, will benefit if the Capital Gains Tax is scrapped. They are the ones who pay most of this tax, though few qualify as rich.

Americans tend to be very productive; they outproduce Europeans and other workers, except those in parts of the Pacific Rim. So, since Americans are so productive, does that mean my friend has continued to work overtime simply to fulfill her need to be a productive American? No. She gained nothing for her extra labor, and people won't work hard if they don't benefit from it. Especially they won't if they are punished for doing so, as she was.

Some Americans are convinced that only the rich will benefit from a broad tax cut, but President Kennedy said the high taxes of his day were a drag on the entire economy, which applies to all of us. He was right back then, and President Bush is right today when he says the same thing.

Punitive taxes are always counterproductive. Everyone knows that, except those strange ducks who enact tax laws that drag down the economy--and of course, their slavish followers.