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Taxing questions . . . and misfires

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Have you noticed the press tends to ask the candidates the same old tired questions, whether at a press conference, interview or debate? Yet there are many basic questions on tax policy (and other topics) Americans should have answers to before they vote.

Here are some of those questions, which I am urging reporters with access to Mr. Bush and Mr. Kerry, including the debate moderators, to ask.

To Mr. Bush and Mr. Kerry: (1) What is the maximum federal income tax rate you think any American should pay? (2) On what basis did you select that number? (Note: The average federal tax rate for all Americans is now about 15 percent, and surveys over the years indicate most Americans do not believe it is fair for anyone to pay more than 20 percent.)

To Mr. Kerry: Even though you have failed to produce income tax returns for yourself and Mrs. Kerry, the information you did produce indicates your wife's effective federal income tax rate was less than 12 percent (less than that for the average American). If your tax rate proposals were current law, what would be your and Mrs. Kerry's effective tax rate? (Note: It appears from the limited tax information the Kerry campaign has provided, most of the Kerrys' wealth is in tax sheltered investments -- such as tax-free municipal bonds -- which would not be affected by Mr. Kerry's tax increase proposals.)

To Mr. Kerry: You have proposed increasing the maximum federal income tax rate to almost 40 percent for many small business owners and other working Americans. This tax rate is far higher than what you and Mrs. Kerry appear to pay or would pay under your proposals. Is this fair, and if so why? (Note: The Kerrys are reported to be among the 400 richest Americans.)

To Mr. Kerry: You have said you want the wealthiest Americans to pay more taxes. However, under your proposals, many people who clearly are not wealthy and some with even negative net worths would have their taxes increased, while many wealthy people would not pay more in taxes. Is this fair? (Note: The Kerry rhetoric confuses wealth and taxable income, and these are not the same. For instance, people who borrow to start or grow businesses, or have serious and very expensive medical problems often have negative net worths, even though they may earn $200,000 a year. These people are not wealthy. However, many very wealthy people may receive little in taxable income, because they bought tax free municipal bonds or did other -- totally legal -- things to tax shelter their income. One can be a billionaire and not pay an additional penny of tax under the Kerry tax proposals.)

To Mr. Bush and Mr. Kerry: Some economists believe the decline in U.S. manufacturing employment is partly due to our allowing imports to come into the country tax free (because foreign producers rebate their consumption taxes at the border) and compete against taxable U.S. goods, and yet require our exports to compete globally against foreign goods with U.S. taxes included in the price. Do you agree there is a problem? If so, what would you do to address it?

To Mr. Bush and Mr. Kerry: Many fine economists, such as Nobel Prize winner Robert Lucas, have argued the single best thing we can do to improve economic performance and job creation is eliminate taxes on capital, such as taxes on capital gains, interest and dividends. Do you agree? Why or why not?

To Mr. Kerry: Your economic adviser, former Treasury Secretary Robert Rubin, endorsed a proposal whereby the United Nations would be able to directly tax American citizens and businesses. Do you agree with your adviser that the U.N. should be able to directly tax Americans, rather than only receive a grant from the U.S. government?

To Mr. Kerry: In the summer of 2000 -- before President Bush was elected president -- he proposed cutting taxes immediately to reverse the decline in the economy that resulted in the recession at the end of the Clinton administration. As economists know, the recession caused the job losses about which you have been so critical. We understand you and the Clinton administration do not believe, as Mr. Bush and his advisers did, that the recession could have been avoided if the proper tax cut had been enacted in 2000. However, the question remains, what would you have done to avoid the recession, and why did you not propose your alternative at the time?

Democracy functions best when the voters are informed, and that, in turn, requires the press to demand specific answers from the candidates rather than slogans.

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