

# The Washington Times

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## Feel Like a Chump?

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Published January 22, 2009

You work hard, take care of your family, and pay all the taxes the government says you owe as is typical of honest, upright citizens.

But what happens to your tax money? It is now going to "bail out" firms that pay their senior executives millions of dollars a year. Congress also intends to spend your tax dollars on an \$825 billion "stimulus program" filled with many dubious projects and plain old-fashioned "pork." Many good economists who have looked at the details of the stimulus package believe it has much more "de-stimulus" than stimulus in it and will make the American economy worse off rather than better off.



While you may have thought you are required by law to pay taxes on all your income, you learn the "important" folks in Washington seem to think paying taxes is optional. Chairman Charles Rangel of the House Ways and Means Committee responsible for writing tax legislation has admitted he did not pay the required income taxes on some of his private income (Caribbean rental properties, etc.); and the proposed Secretary of the Treasury, Tim Geithner, did not pay the required income tax on part of his income from the International Monetary Fund, where he worked for several years.

It gets worse. Senate Majority Harry Reid, Nevada Democrat, has repeatedly said paying taxes is "voluntary" (see YouTube video <http://www.youtube.com/watch?v=LQIKJqLIqaE> ) and that Mr. Geithner's failure to pay taxes was merely a "hiccup."

Many other leaders from both houses of Congress claim this failure to pay taxes was a "minor oversight and hiccup" and should not disqualify Mr. Geithner from overseeing the IRS, which, of course, enforces the tax law that Mr. Rangel's committee writes and Congress passes.

Many of the congressional and media defenders of Mr. Geithner and Mr. Rangel argue that the tax law is so complex it is easy to make errors and some of the law and regulations are vague and unclear. In this, I agree. Like all of my fellow citizens, I do not understand what is in the 65,000 or so page Internal Revenue Code that everyone is supposed to obey. If the leaders of Congress and Treasury agree the tax law is too complex for anyone to be able to comprehend it, and thus people like Mr. Geithner should not pay fines for not reporting all of their taxable income correctly, what possible justification do they have for insisting that those who are not politically connected (and not as well trained in tax law) pay taxes on all their income and pay fines on errors and omissions? Does not the U.S. Constitution say all must be treated equally under the law?

I am all for making the payment of taxes optional, but I want them optional for everyone, not just the political elite or, at the minimum, have everyone pay the same percentage of their income regardless of status. (I remember back in 2004 when it came out that presidential candidate John Kerry - whose wife was a billionaire - paid a lower tax rate than most working Americans. Hmmm.)

This same Congress, which has an elastic definition of who should pay taxes, has now decided you and your family need to subsidize not only the political elite but other very wealthy folks who, along with those in Washington, created the current financial mess. Realizing no one understands what a trillion dollars is, you will find in the accompanying table how much Congress and Treasury have already spent and intend to spend of your money on "economic revival."

#### IMPOSED FINANCIAL BURDEN ON U.S. TAXPAYERS

|                         | Total expenditure<br>(in billions of \$'s) | Expenditure per<br>capita in \$'s | Expenditure per<br>family of four<br>in \$'s |
|-------------------------|--|-----------------------------------|--|
| Citigroup               | 50   | 166                               | 662  |
| AIG                     | 125  | 414                               | 1,656  |
| General Motors          | 17   | 58                                | 230  |
| Goldman Sachs Group     | 10   | 33                                | 132  |
| GMAC Financial Services | 5  | 17                                | 66   |
| Chrysler                | 4  | 13                                | 53   |

|                           |     |       |        |
|---------------------------|-----|-------|--------|
| TARP                      | 700 | 2,318 | 9,272  |
| Proposed stimulus package | 825 | 2,732 | 10,927 |

Treasury Secretary Hank Paulson and former Clinton Treasury Secretary Bob Rubin both served at different times as heads of Goldman Sachs, the world's most profitable and successful investment bank, which paid many of its employees tens of millions of dollars each year. Why then is a typical American family of four paying \$132 - in either higher future taxes or more inflation - to subsidize Goldman Sachs?

Bob Rubin had been serving as a director of Citibank since he left Treasury, and was paid a reported \$110 million. Yet each American family owes an additional \$662 in federal debt to subsidize Citibank - which could turn out to be a whole lot more since Treasury has now guaranteed some additional \$300 billion plus in Citibank debt.

It only gets worse. Congress now proposes a stimulus program, in addition to the already passed TARP program, which will cost the typical American family more than \$20,000 (a small portion of which may be returned as tax credits). If Congress reduced your family's tax burden by \$20,000 this year, and let you spend the money, rather than Congress spending the money (after the government's normal overhead and handling fee), would the American economy be worse off or better off?

Just remember, those members of Congress who vote to tax you and spend your money on "bailouts" and phony "stimulus" may be calling you a "chump" behind your back.

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