

Taxes as a Civic Obligation

It's the spring time of year again— when we celebrate life overcoming death, while wishing we could overcome that other certainty of life: taxes. I don't know anyone who likes paying taxes. But if we look at the ethics of tax paying and government spending, we find that there are issues more bothersome than paying our taxes . . . and that there is a thing or two about which we can even feel good.

We could start with being angry about how some of our tax dollars are spent—so-called pork-barrel spending. Such spending may be defined as the politicians' attempt to bribe voters to support them in the next election by adding funding for local projects in large national spending bills. So, for example, the fiscal year 2004 omnibus appropriation bill contains such necessities as \$238,000 to the National Wild Turkey Federation. Now I have nothing against turkeys, but is this the best use of our resources at a time of massive deficits? The state of Alaska gets \$450,000 for its statehood celebration, but the state of Hawaii gets only \$225,000 for its statehood celebration. Maybe Hawaiians want to celebrate only half as much as Alaskans, but somehow that doesn't make sense. As the Kansas City Star recently reported, "enough pork is layered into the spending bill . . . that even the Missouri Pork Producers Association is in line for \$1 million."

To be sure, government also wastes some of its tax revenue through inevitable inefficiencies, but do we think the private sector doesn't also waste money? Think about how much of our private health care system that you're financing involves overpriced prescription drugs, unnecessary high-tech services, and lavish perks for corporate bigwigs.

Our ethical irritations at tax time should be greater, however, regarding those who avoid paying taxes. In 2001, some corporations found ways to shelter themselves from paying \$12.4 billion in state income taxes alone. Such tax sheltering reduced state corporate revenues by one-third, just when states were facing large budget shortfalls. Nearly two-thirds of the companies operating in the United States reported owing no taxes from 1996 through 2000.

But we should save our biggest moral outrage for those individuals who cheat on their taxes. A 2003 IRS study showed that 12 percent of surveyed taxpayers believed it was OK to cheat a bit on their taxes, up from 8 percent in 1999. And 5 percent said it was OK to cheat on their taxes as much as possible. \$166 billion dollars are currently estimated to be due the government from taxpayers who underreport or don't pay.

Pork barrel spending and government inefficiency may tempt people to feel justified in fudging a bit on their taxes, but such fudging is not only illegal, it's morally wrong. It is stealing from the rest of those who will in some way have to cover the difference. Rather than "*fudging*" on taxes, we ought to hold our political representatives accountable for spending our dollars on projects that promote the common good, rather than dealing special favors that saddle us with debt—which by the way is about \$521

billion this year. Senator John McCain of Arizona calls those favors nothing less than theft.

The most disturbing finding from this IRS study, however, was that only 68 percent of Americans thought it was their civic duty to pay taxes, down from 81 percent in 1999. Why is paying taxes a civic duty, as well as a moral obligation? The answer to that question is what ought to help us feel better about paying taxes. Taxes represent a tangible way that we contribute to the common good of our society. Taxes represent services: defense, education, public health, environmental protection and countless other services that benefit us all. That's something to feel good about. When tax revenues fall, when corporations seek shelters, and when individuals cheat, schools are closed, public health is compromised, and infrastructure crumbles.

In addition, Montana benefits from receiving more in federal funding than we pay to the government. In fact, Montana is sixth among states in return on the tax dollar, meaning that we are among the top states for getting money back on every dollar sent to Uncle Sam. While some of this is pork-barrel funding that is best sacrificed, federal income taxes mean money for Montana.

So in paying our taxes, we support the common good and get benefits back besides. Perhaps we even can think of our taxes and be thankful. After all, as Thomas Robert Dewar once said, "The one thing that hurts more than paying an income tax is not *having* to pay an income tax."

Feel better? I'm not sure I do either, but it was worth a shot.

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