

## WHAT IS JUST TAXATION?

Richard S. Gilbert - Interfaith Impact of NYS – February 2, 2016

New York State, like the rest of the country, is in perennial fiscal crisis. Business interests complain that the economic climate in New York is forbidding, especially tax burdens. Labor interests promote raising the minimum wage toward a living wage. Advocates of the poor point to underfunded programs for the poor, children in particular. Taxation comes in for much heated discussion.

What is missing in this discussion is a moral argument for what would be a just system of taxation. What is the moral basis for taxation that would be a fair way to support governmental services? We suggest the following principles:

1. "Good fortune obligates." The phrase is from Albert Schweitzer as he contemplated the trajectory of his life from privileged preacher's son to the mythical doctor in Africa. He believed, as do I, that those of us who have been fortunate in securing life resources, whether it be the result of hard work or good fortune or both, "owe the pot," as it has been put.
2. All of us have give-back responsibility. All of us have benefited greatly from the hard work of others - historical figures, our family and our society. This reality challenges the dogma of the rugged individual who deserves everything he/she can get as if his/her efforts alone were responsible. We always depend on others.
3. How much is enough? When CEO's, sports personalities, entertainers and others command salaries in six figures and more while many work full-time and yet live in poverty, there is a violation of the covenant of shared responsibility for the common good.
4. In a competitive society, what do we do with the losers? If we accept competition then we must allocate resources not only to the "winners," but also to those who cannot compete as well. Taxation is a public policy to level the playing field and create the conditions for a democratic society. Dramatically unequal societies have a poor track record.
5. "Taxes are the price we pay for civilization" (Oliver Wendell Holmes). They are a down payment of our investment in the common good. Those with extensive resources should expect to pay their fair share.
6. What is a "fair share"? While there is no objective measure of "fair," the concept of progressive taxation exacts a proportional share from those who bear the burden of society's costs. Tax rates should be based on the ability to pay. While the affluent pay a high percentage of the income tax, when all other taxes are considered, rich and poor pay at a similar rate. See tax expert David Cay Johnston in his book "Perfectly Legal." According to him the poorest first pay 17 of their income in taxes, while the richest fifth pay 18. That 17 impacts the poor more powerfully as it cuts into basic necessities of life; the 18 the wealthiest pay merely impacts the superfluities of their lives.
7. Superfluity and scarcity. A proportionate ethic suggests that it is unjust for some human beings to possess far more than is needed for a comfortable life while other equally valuable (morally) human beings have inadequate resources for living a meaningful life.
8. Government is the leveler of the playing field. It is that democratic covenant that sets the rules for fair play, regulates the excesses of the marketplace and provides a safety net for those who are marginalized. Taxes are a privilege as well as a responsibility.

Interfaith Impact of New York State supports efforts to create a more just taxation system in New York by increasing the number of tax brackets so that those earning \$250,000 a year or more would pay higher income taxes.