

Psst. Republicans Like Those Hidden Tax Increases.

By Jonathan Wilson

The Republican Party takes great pride in claiming to oppose tax increases of any kind. In order to stay true to that commitment and false to the American people, the GOP verbalizes opposition to tax increases, all the while proposing tax increases by other names.

The only legitimate definition that seems intellectually honest is one that identifies as a “tax increase” any government decision made for the purpose (or purported purpose) of making the government’s books balance (or more nearly balance) *and that increases expense to the taxpayers* whether or not it’s reflected on their income tax returns.

So, can anyone really argue credibly that the elimination of interest deductibility didn’t result in a tax increase during the presidency of none other than Ronald Reagan. It happened; I was there; I know; and my taxes went up as a result, pure and simple.

Remove a tax loophole and you’ve increased the taxes on whomever it was that had previously had the advantage of that loophole. Slice that any way you wish, closing a loophole is a tax increase for someone. It should be called what it is and be justified accordingly.

Take, for another example, the furloughing of government employees. If you’ve been hired for whatever salary and are told you must take some unpaid time off in order to help the government balance its budget, that’s money right out of your pocket, a “tax” to help the government make ends meet, no matter how the perpetrators would prefer to characterize it.

If the government removes tax breaks for big oil companies, drops subsidies for the trucking industry, or eliminates agricultural subsidies, it will be increasing the taxes paid by big oil, truckers, and farmers. Similarly, if the government cuts spending for things that would otherwise have benefited the poor or middle class like food stamps, child care, universal preschool, Pell Grants, or what-have-you, the cost to the folks effected is nothing more nor less than a “tax.” If, in the name of balancing the budget or paying down the national debt, the government alters Social Security benefits, Medicare benefits, or Medicaid benefits, it’s a tax on all those who would otherwise have benefitted from those programs as they previously existed. Devalue the US dollar, as the Federal Reserve has announced the intention to do, and it’s a “tax” on those with fixed incomes and savings accounts.

During the Bush Administration huge tax cuts were made to benefit the rich at a time when the rich were already getting richer and the poor were getting poorer. When Bush took office there was a budget surplus and the Congressional Budget Office was forecasting the complete elimination of the national debt by 2011 – this year. Those cuts for the rich were extended during the Obama Administration. Much was made of the fact that the extended tax cuts would benefit *all* taxpayers, rich, middle class, and poor alike; and that the cuts should not go only to the middle class and poor.

But when it comes to the need to eliminate deficits and reduce the national debt, Republicans, in the name of cutting government *spending*, want to increase “taxes” on those least able to bear the burden. It is, essentially, a plan to leave the extended tax cuts in place for the rich and take them back from the middle class, the poor, and those on or planning on Social Security.

And to top it off, Republicans have threatened not to permit a further increase in the US debt ceiling. They have, for the admitted purpose of improving their negotiating leverage in the perennial debate over taxes and spending, threatened to compromise the Full Faith and Credit of the United States of America. Are you kidding me?! I think that holding the Full Faith and Credit of the United States of America hostage in those recurring negotiations is unconscionable and borders, in my mind, on treason. I just hope they don't get the idea that capturing the President's children and holding them hostage might also improve their negotiating leverage. Both, in my mind, are in the same vein; unthinkable.

And maybe that's the problem, they aren't thinking or, cynically, they don't believe that the American electorate is thinking. A spade is a spade. A rose is a rose. A tax is a tax. And, for my money, the Full Faith and Credit of the United States of America is sacred.