

Government OUTRAGE: 65% tax rates coming

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By David Galland in Casey's Daily Dispatch:

Having spent Friday's missive singing from a rather gloomy song sheet, I anticipated that after a relaxing weekend, I might return to these daily musings in a lighter frame of mind.

After coming across the following news item, that anticipation ran straight up on the reef...

[Lawmakers Propose 'War Surtax' to Pay for Troop Increase in Afghanistan](#)

Two top Democrats say they want to impose a new tax on the wealthy to finance any increase in U.S. troops for the Afghanistan war.

Rep. David Obey, D-Wis., chairman of the purse string-controlling House Appropriations Committee, is calling the idea a "war surtax." He said that just as the federal government is expected to pay for its proposed intervention in the health care sector with new taxes, any escalated involvement in Afghanistan should come with a payment plan.

"If we have to pay for the health care bill, we should pay for the war as well ... by having a war surtax," Obey told ABC News in an interview that aired Monday. "The problem in this country with this issue is that the only people that has to sacrifice are military families and they've had to go to the well again and again and again and again, and everybody else is blithely unaffected by the war."

Sen. Carl Levin, chairman of the Senate Armed Services Committee, is making a similar demand.

Now, readers of any duration know I'm vehemently opposed to the doomed adventure in Afghanistan. On that front alone, the idea of a war tax is like a shard of glass in my eye.

But it's even worse than that. It shows just how degraded this country has become – picking the pockets of the productive is now pretty much the only remaining source of funding the administration and its allies can imagine.

Just to be sure we keep this in perspective: At this moment, if you earn more than \$250,000 a year (which isn't what it used to be, given the steady erosion of inflation over the last 30 years), you will pay federal income taxes of about 35%, no estate taxes, and a 15% capital gains tax should the money you put at risk in the market return a profit.

As soon as next year – should the government move up the expiration of the Bush tax cuts, as I very much expect them to – the top tax bracket will go to 39%. On top of that, the current healthcare legislation will add a 5.4% surcharge. Then, add in the Democrats' proposed 5% war tax. Okay, so straight up we're talking 49%.

Then there's a near doubling of capital gains taxes, from 15% to as high as 28%. And, of course, the return of the estate tax.

Of course, that's just for starters, because everywhere you look states and municipalities are raising taxes and fees, and attorney generals, taking a page out of Caligula's playbook, are casting about for their next deep-pocketed victim.

At the end of the day, the top tax rate in the U.S., starting as early as next year, will soar way over 50% of income. While further number crunching is required, it is a very safe assumption that top income earners will soon be paying over 65% of their income in taxes.

Which is to say, if you are in a top tax bracket, every penny you earn between January 1 and August 25 will go straight into the coffers of one layer of government or another.

And this while more than 40% of Americans pay no income taxes at all.

Per the general theme of my musings on Friday, this is just another symptom of the single biggest problem now facing the U.S. (and for that matter, the world): the ballooning size and cost of government. And there are no speed bumps in sight...

Is there no hope? One obvious scenario is for the Democrats to lose control of either the House or the Senate come next November's elections, thereby returning the nation to some form of political gridlock. The best of all worlds, in my view. And the way things are heading,

this is now a certainty.

But before you get overly excited about the prospects of a political solution, don't forget the role the Republicrats have played in bringing the nation to this sorry state over the past several decades. If you're holding out for an outbreak of capitalism or other signs of fiscal sanity once Republicans regain some modicum of political power, you are delusional. They may package their programs in different-colored paper, but when you rip away the wrappings, you'll find the same statism and the same promises of a chicken in every pot.

Look after yourself – no one else is going to do it for you.

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