

HST 203: U.S. History Sp18 (Escobar Meta 41002 43590)

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/ [Taxation](#)



Forum 2 Taxation

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Taxation

by [Joe Escobar](#) - Thursday, April 19, 2018, 3:41 PM

This thread is for discussions on the Taxation topic.

To make a new POST, always click the reply link in this, MY post. To reply to another student's post, be sure to click the reply link within in THEIR post. (Don't reply to your own posts in an attempt to make a new post.)

IMPORTANT - SUBJECT LINES

BE SURE to use an informative subject line for your post, something that describes which one of the questions you are addressing. Do NOT simply leave it RE: Taxation

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Re: Taxation



by [Zachary Denton](#) - Saturday, April 21, 2018, 2:55 PM

I think some of the obvious things I took away from the charts was that whenever there was a hardship going on in America, like both world wars and the depression, taxes skyrocket. It isn't until the Vietnam war that taxes finally decrease exponentially and even further when Reagan is in office. Also the chart that has the income tax revenue compared to total tax revenue shows that income taxes make up almost half of the total revenue for the nation. The bulk of that tax revenue has come from the wealthier people of this country. While I do agree that people who make more money should pay more taxes I don't believe that it should be such a drastic difference. The brother video explains this perfectly. It is not fair that the older brother should have to pay more in taxes because he clearly works harder than his siblings. When they are discussing who should pay how much for the gate and upkeep of the roads and they decide to use the current tax system. When they do this, it shows the unfairness of the tax system we have. We all enjoy the same privileges but we all don't pay the same. Now I know in the videos' case, the gate and improved roads only applies to those three families, but it still works. People who work hard for their money shouldn't be punished by having to sacrifice more of it to make up for the lack of effort, in some cases, as others.

I definitely agree with Coolidge because everyone should be responsible for taking care of the country they live in but shouldn't find themselves working for the government involuntarily (1:10 Coolidge video). Cutting down on excessive public expenses will reduce the need to tax the people at such a high rate, effectively letting people keep more of their hard-earned money. "I want them to have the rewards of their own industry, this is the chief meaning of freedom." (2:15 Coolidge video). This should still be the message today for politicians that want to reduce taxes. Coolidge couldn't have been more right when he said that.

Sum of ratings: [3 \(1\)](#)

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Three Brother's Video

by [Kyle Shrope](#) - Friday, April 27, 2018, 5:46 PM

The video's scenario is a little bit out there, but I think it does a good job of explaining how the tax code works in the United States. It paints a clear picture of who pays more taxes than who and how the percentages are divided. The video's scenario doesn't seem realistic even in America today. There is no way that all three brothers can afford to live in the same neighborhood, especially when they all do not make the same income. The brothers who make less money are more likely to live in cheaper neighborhoods and wouldn't be able to afford a home like their brother who saves can.

Sum of ratings:0 (1) 0

[Permalink](#) | [Show parent](#) | [Edit](#) | [Split](#) | [Delete](#) | [Reply](#)**Re: Taxation**by [Mirissa Hicks](#) - Saturday, April 21, 2018, 8:49 PM

Overall, I disagree with what president Coolidge was saying. He knew the impact of what taxes was doing to the average American, he even says "I want the people of America to be able to work less for the government -- and more for themselves." (Coolidge Speech) but his plan to get there is what I disagree with. I feel like it was a good idea when Coolidge states "I want to cut down public expense"(Coolidge Speech) but as a reality I don't feel like it's a long-term solution. At the time America was coming out of WWI which left us with a big chunk of debt, so I don't think that was the time to try to drastically lower taxes. When he talks about "When the government affects a new economy, it grants everybody a life pension with which to raise the standard of existence" and how "It increases the value of everybody's property, raises the scale of everybody's wages" (Coolidge Speech) it makes me wonder if we were actually making things better for our economy and fixing the tax problem or where we are making things worse? Once prices start rising we start paying more for everything and it sounds like economy would evening out, but I feel like that's not the case. Once prices start to rise I feel like it gets harder to actually afford the cost of living. If you look at our economy today prices are higher, property value is higher, and minimum wage is higher, but the cost of living is very difficult and most people work at least one if not two jobs just to make ends meet. Another reason why I have to disagree with the cutting public spending is because eventually everything you cut back on spending say fixing roadways for example is only going to last for so long before you have to fix and put money into those government necessities. I do agree on tax cuts to able to afford the cost of living but cutting a huge chunk of spending seems like that would eventually backfire and be costlier in the long run.

Sum of ratings:2 (1) 2

[Permalink](#) | [Show parent](#) | [Edit](#) | [Split](#) | [Delete](#) | [Reply](#)**Re: Taxation**by [Sadie Baker](#) - Sunday, April 22, 2018, 7:59 AM

I like your point of view and I think it is smart of you to consider the practical outcomes of cutting back taxes. You thus concluded that cutting taxes would negatively affect us if taken too far because it would result in insufficient funds for necessities which the government is responsible for taking care of. I think you're absolutely right about that. However, do consider whether Coolidge was focusing

merely on taxes as something bad which needed to be eliminated, or whether he was intent on lessening government's involvement in our lives in general. If government were to simply stop creating more programs and distributing the people's tax money unnecessarily, it would result in less of a demand for taxes. One of Coolidge's statements in his speech expressed this sentiment: "One of the greatest favors that can be bestowed upon the American people is economy in government". (Coolidge video on taxation, 3:57). Dictionary.com defines "economy" in the following ways: "the management of the resources of a community, country, etc, with view to its productivity", and "the efficient, sparing, or concise use of something". I think that Wilson wanted government to be more responsible as well as less controlling of the people. As reaffirmed by the textbook, "He believed that the best government was the government that governed least, and that the welfare of the country hinged not on politicians but on the people." (Liberty, Equality, Power, pg. 788). When focusing on the single ideal of cutting back taxes, it is easy to conclude that it is unwise, especially if government maintains the same rate of expenditure. However, when looking at the bigger picture of overall economy in government, which was Coolidge's goal, tax reduction is responsibly attainable, as the revenue will be used effectively and appropriately, and thus result in a lesser demand for funds.

Sum of ratings:3 (1)

3

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**Re: Taxation**by [Zachary Denton](#) - Thursday, April 26, 2018, 4:30 PM

I am a little confused when you stated that once prices start rising we start paying more for everything because Coolidge wasn't talking about raising prices for things, but lowering income taxes for everyone and cutting down on public expense. When it comes to fixing roads, as you used for an example, it opens the door for the private sector to be hired to fix the road instead of employing an overpriced government work crew to do it. Overall Coolidge wanted the government to stay out of our business as much as possible, which it should be. More money in our pockets helps the economy because it allows us to spend more on businesses. However I do agree with you on how soon he implemented his tax cuts after WW1. We did have a large amount of debt that needed to be paid and while it is noble of Coolidge to want to cut taxes for the people, it was just too soon so that I agree with you on.

Sum of ratings:1 (1)

1

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**Re: Taxation: President Coolidge's Speech**



Re: Taxation: President Coolidge's speech

by [Sadie Baker](#) - Saturday, April 21, 2018, 10:17 PM

I absolutely agree with Coolidge's speech. He is a straightforward and concise speaker, which I appreciate and marvel at in a politician. If I were to list which of his points which I agree with, I would just quote the entire 4 minute speech. One of his especially outstanding points came right at the start of the video. He said, "the expenses of government reach everybody." (Coolidge on taxation video, 1:01) It is easy to think of government this way when it is doing things you don't agree with, say, funding a war. But this is also true when government is giving you something you want, for example free health care. Even when government is doing something nice for you, are they the ones paying for it? Nope, you pay for what government pays for. You pay for everything the government "gives" you.

Sum of ratings: 2 (1)

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Re: Taxation History of Taxation

by [Kevin Gable](#) - Saturday, April 21, 2018, 11:11 PM

The overwhelming and obvious conclusion I can draw from the charts is once the government needed money for the war effort of WWI taxation became big business. It would also seem that taxes after WWI have never been lower than when President Coolidge was in office. (chart on history of taxation rates adjusted for inflation 1913-2010) I was also not completely aware of the distribution of taxation was so heavy on the 81-99 and the 1%. They pay a combined total of 68.8% of the federal taxes. (pie chart on US tax Liability) That's considerable. I found it interesting because in the last election we heard so much about taxing this bracket even more.

Sum of ratings: 2 (1)

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Re: Taxation, President Coolidge

by [Kevin Gable](#) - Saturday, April 21, 2018, 11:12 PM

President Coolidge's speech gave me the idea he didn't really like taxation. I have to agree with him that taxes are not a thing of joy. When he said "Taxes take from everyone a part of his earnings and forces everyone to work for a certain part of his time for the government." (1:04 into the video) I got the idea he really believed that because the money taken in taxes represented time spent working that meant a certain amount of servitude to the government. Then he said "I want the people of America to be able to work less for the government and more for themselves. I want them to have the reward of their own industry. This is the chief meaning of Freedom." (2:06 into the video) This again drives home that sense of servitude he did not like in taxation. Now

when you consider that he was explaining he was reducing government spending to reduce taxes what I got out of the message as a whole was this. It may be a terrible honor that we must pay these taxes to keep the system we live in going. However, if the government is allowed to be wasteful and irresponsible with those taxes than taxation becomes tyranny.

Sum of ratings: 3 (1)

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Re: Taxation, President Coolidge

by [Landon Stevens](#) - Thursday, April 26, 2018, 9:22 AM

100% agree on the topic of Coolidge's speech and his stance on taxation. I've learned an embarrassing amount of information through the resource of television shows, Parks and Recreation specifically regarding taxation, and some of the things tie perfectly into this forum topic. For instance, at one point in the show, Ron Swanson says, "First of all, income tax is illegal!". After a brief bit of research on taxation, I found the entire argument. Tax protesters argue that income tax is unconstitutional because the 16th amendment was never properly ratified. They also argue the terminology of the word "wages" vs "income", and say that wages are in fact not income because labor is exchanged for them, and that taxing wages violates one's right to property. I personally don't have too big of a problem with income tax, because if I did, it simply wouldn't do anything but frustrate me with no feasible means of compromise, however that's not to say that I don't get ticked off at what the government uses tax dollars for. I don't have to go into great detail on what the government wastes money on, I believe every tax paying citizen knows that already. Why not end with a quote from the great Ron Swanson.

"This government is diseased. It's like a big fat angry slob spending money it doesn't have, on crap it doesn't need."

-Ron Swanson

Sum of ratings: 2 (1)

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Re: Taxation US Treasury on Taxation

by [Kevin Gable](#) - Sunday, April 22, 2018, 1:02 PM

"Throughout history, every organized society had some form of government. In free societies, the goals of government have been to protect individual freedoms and to promote the well-being of society as a whole.

To meet their expenses, government need income, called "revenue," which it raises

through taxes. In our country, governments levy several different types of taxes on individuals and businesses. The Federal Government relies mainly on [income taxes](#) for its revenue. State governments depend on both income and [sales taxes](#). Most county and city governments use [property taxes](#) to raise their revenue.” (US Treasury Dept.)

This is the very introduction to the US Treasury website. I have a question or two though. Does anyone remember the chart displaying the US tax revenue from 1980-2009? This seemed to show a different story. If I am reading it correctly then the US doesn't get the majority of it's tax through income tax. It would seem to get it through the other sources o taxation. Why would the Treasury site be misleading? Thoughts?

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1

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Agree or Disagree with President Coolidge's position on taxation?

by [Katrina Kreklau](#) - Sunday, April 22, 2018, 2:29 PM

President Coolidge was one of our president of the 20th century I believe that he did have a point. One is that “the yearly expenses of the governments of this country...the stupendous sum of about and the remainder by local governments.” For me, even such a budget is hard to comprehend. However, this is concerning less than the United States budget today. In 2015 alone, the budget was 3.8 trillion. About \$12,000 dollars for every, man, woman, and child in the states.

Saying this, taxation really does reach everyone and in some cases can take most of a family's earnings. Then, “*When the government affects a new economy, it grants everybody a life pension with which to raise the standard of existence. It increases the value of everybody's property, raises the scale of everybody's wages.*” Along with increases property values and higher wages means higher taxes. So, yes I agree with President Coolidge because everyone works for the money that they've earned and not everyone has the funds to wait until tax returns to pay bills.

<http://www.americanrhetoric.com/speeches/PDFFiles/Calvin%20Coolidge%20-%20Taxes%20and%20Liberty.pdf>

<https://www.nationalpriorities.org/budget-basics/federal-budget-101/spending/>

Sum of ratings:3 (1)

3

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Trying to Find Middle Ground on Taxation

by [Rachel Gragg](#) - Sunday, April 22, 2018, 3:49 PM

The video of the three brothers definitely enhanced my understanding of the way the tax system works, however, I could definitely tell it was biased. Taxation is tough because the way the video ended definitely seemed unfair as the brother that had the most money who had worked hard and saved had to also pay the most money for the neighborhood improvements, while the lazier brother paid nothing. However, not all situations are like that. There are a lot of people that are wealthy that just happened to be that way because of whatever reason, not because they worked hard. On the other end, there are a lot of people that work multiple jobs and can hardly make ends meet just because of some unfortunate circumstances in their life. It is hard to say that every single person in America should pay the same amount of money in taxes because the rich all just deserve the money they have and the poor are lazy. I would assume that in a lot of cases, that just isn't the truth.

In situations such as paying for World War I, it is difficult though as well to say that the taxation was totally fair. The rich should probably have not been taxed so much in order to pay for the war and there should have been more taxation on other classes. Our textbook authors tell us that, "To help pay [the War's] bills, the government slapped the rich with a 67 percent income tax and a 25 percent inheritance tax" (*Liberty, Equality, Power* Pg 757). That is an absurd amount of taxation on the rich to finance the war. Essentially, what I learned from this video is that I believe the current way taxes are split up is unfair to the rich that have worked hard and earned money and to the poor that are just lazy. However, I'm not sure that making taxes even for everyone would be fair either seeing as not every poor person is lazy and not every wealthy person worked hard to get where they are. What do you guys think? Could there be a middle point between these options?

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Re: Trying to Find Middle Ground on Taxation

by [Mirissa Hicks](#) - Monday, April 23, 2018, 8:05 PM

The video of the three brothers did put how taxation works into prospective for me as well, but I can also see the flaws in it. I agree with the fact of that in the case of the three brothers that it was unfair that the brother that had worked more as well as his wife was left for most of the bill, and the brother who didn't work as much and his wife who didn't work at all paid nothing. It does seem that is one of the flaws in our government system regarding taxes today. If you take out the wealthy for a minute and look at the factors in the video, they all made the same amount of money per hour, but they didn't all make the same because of how much they chose

to work. Now if you put that into a reality of how society works with taxing the people who made more just based of the fact that they worked more to be able to be finical set, I don't think it is at all fair. To fix that problem in our tax system today would require a creative way to ease taxes for the people who in the case of the video that put more effort into working instead of those who make less and don't care about working. Now if you do add the wealthy back into the mix I think that's where it gets tricky and more complicated factors come into play, and it makes me think that's where the government puts into play the 12% tax rate (according to the video) because it's an easy solution and the same as taxing people who have a higher income. I also feel like the government does put the on burden of higher taxes on the wealthy because they are more likely to get paid, whereas if you put high tax lower income families there's a good chance those taxes won't be paid.

Sum of ratings:2 (1)

2

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What conclusions can you draw by examining the history of taxation in the United States provided in these charts and graphs?

by [Kyle Shrope](#) - Sunday, April 22, 2018, 10:26 PM

Some conclusions that I can draw from looking at the charts is that the government has always had a higher tax rate for the rich. And also in the first chart shows that federal income tax gradually has increased every year, except for a minor decrease in 2002. Another conclusion I can take away is that there will always be an increase in the amount of taxes, every year and decade the number keeps getting higher and higher.

Sum of ratings:1 (1)

1

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Re: What conclusions can you draw by examining the history of taxation in the United States provided in these charts and graphs?

by [Mirissa Hicks](#) - Wednesday, April 25, 2018, 8:44 PM

I see as well with in the first chart that just because the rate of income tax hasn't made a drastic change it seems like federal tax revenue is all over the place and skyrocketing. From this chart it seems that the government decided not to take too much more money out of people's paycheck but start taxing different items to get their money. It seems like it started taking an incline around 1992, but what stumps me is why did it go down during the start of the Iraq war wouldn't we need more money for the government at that time? Then it seems to have gone back up a few years into the war. With the cart on Wikipedia it seems like Bush tried to prevent what happened during/ after WWI and WWII when takes rose as high as 94%.

Sum of ratings:1 (1)

1

[Permalink](#) | [Show parent](#) | [Edit](#) | [Split](#) | [Delete](#) | [Reply](#)**Re: Taxation**by [Landon Stevens](#) - Sunday, April 22, 2018, 10:31 PM

I am a registered Independent, which is why I lean heavily toward a libertarian's viewpoint, albeit a conservative libertarian rather than a liberal libertarian. The reason why I say this is because I agree, wholeheartedly, with what President Coolidge spoke of in his little speech, and the most poignant point he made was when he said that the greatest indicator of freedom is how much of the money a person gets to keep from the product he/she has produced. The inverse is this: The power to tax is the power to destroy. And might I remind my school mates that we do not operate by the will of the government; the government operates by our will, by the consent of the governed. I believe that one of the reasons we are such a divided nation, politically, is because of money. Many people, especially the middle and middle upper income folks who are too big to avoid taxes and too little to hide their millions in some off shore account, are frustrated by how much they are taxed in comparison to their \$60-120k per year. And the fact that some don't even pay taxes and still receive a refund? A refund for what?

What they've produced isn't measurable, so how can they receive a refund? And that is the other side of the division, the side that wants to keep the revenues streaming into the public trough.

One can easily view the Coolidge tax plan by examining the chart. Taxes for the wealthy skyrocketed during the Progressive Era, plummeted during the Coolidge/Hoover Era, then went up again, even higher, during the FDR Era. I am not saying that Coolidge was a good president; he was dry as a bone, but he was right on taxes. I am in favor of Laissez-faire because it takes power away from the government and lets it rest with the people. Critics of mine might say, "but the people sometimes do selfish things with their money." Indeed they do, but the answer is not to take it from them but to pressure them to do good things with it, a sort of benevolent capitalism. If they don't heed that pressure, then let them drown in their riches.

Today, we are trillions in debt, our federal government has bloated beyond its once thin self, our state governments waste money - just look at the jobs the state posts - and I'd like to know exactly where our "pot" revenue goes, yet another tax. But that is for another discussion.

Sum of ratings:3 (1)

3

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What I am noticing from the graphs, is that as the country grows, the cost of running it grows as well, but it's dependence on individuals to pay for the country lessens. This is shown by the fact that the federal tax revenue has continued to increase over the years, even though the tax rates have gone down significantly. This doesn't make much sense unless you start to account for other factors not shown in the graphs, population and inflation. As the population increases, the dependence on individuals to pay higher tax rates diminishes. For example taxing two people at 15% makes you more money than taxing one person at 20%, so as time goes on the number of taxable people also increases. So you don't have to tax them as much. Inflation also comes into account but that's fairly self explanatory.

Sum of ratings: 2 (1)

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Paul Ryan's Outlook on Taxation

by [Mirissa Hicks](#) - Monday, April 23, 2018, 9:03 PM

Paul Ryan's speech on passing H.R. 1, the Tax Cuts and Jobs Act, follows in on a more detailed version of what President Coolidge was saying during his presidential term (1924-1929). Ryan starts off by stating "78 percent of our workers in this country today are living paycheck to paycheck" (Paul Ryan's floor speech) he then follows with "We need to restore growth. We need to restore opportunity. We need to restore this beautiful thing we affectionately call the American Idea." (Paul Ryan's floor speech) As watching the video he made all of the same points as President Coolidge did and he also brought out graphs as visuals to capture the full outlook of what the plan was for this Act. I definitely think he hit the nail on the head with this speech and I can completely agree with the points he made. Comparing on President Coolidge Speech with Ryan's it seems like Ryan put more emphasize on not only what was wrong with our high taxes and us as Americans not only getting to enjoy our paycheck, but he also put more emphasize on how the problem would be solved with the H.R. 1, Tax Cuts and Job Acts. It seems Ryan mirrors with Coolidge's plan on economic growth when he states, "Because we're going to grow the economy, most of the wage growth goes to the people who need it most—people in the middle, people who are struggling" (Paul Ryan's Floor Speech) and it seems like he knows the reality of economic growth when he says "Faster economic growth is not going to fix every problem America has" (Paul Ryan's floor speech) but he's willing to try to help the lower class economy which was Coolidge's envision. I definitely feel like Ryan and the politicians that backed this bill was on the same side of the spectrum that Coolidge was on almost 100 years ago. I stated in an earlier post that I didn't agree with Coolidge's execution on how he was going to handle tax cuts. but after listening to Ryan's version I could definitely agree to

going to handle tax cuts, but after listening to Ryan's version I could definitely agree to the modern approach of what Coolidge was intending to do.

Link to Paul Ryan's Speech:

(You Tube & Text form)

<https://www.speaker.gov/press-release/speaker-ryans-floor-speech-tax-reform-legislation>

Sum of ratings:3 (1)

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Re: Taxation

by [Vijay Parthasarathy](#) - Tuesday, April 24, 2018, 5:27 PM

The example about the three brothers gave me a better understanding into reasons why there is tension between lower and higher brackets pertaining to the amount of money needing to be paid during tax season. A lot of modern day political parties make this tension a vital point in their campaign promises. It was funny to see how the middle brother, Dick, saw a benefit of saving money to his younger brother, Tom's idea, however the oldest brother saw that he was having to contribute a huge portion of the money to their project. It was an amusing metaphor for the relationship between different brackets in the US, and their government. The video showed that people, who work harder and save or invest, do end up having to battle a big problem when it came to a cut in their incomes.

Vijay Parthasarathy

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Re: Taxation: The Three Brothers Video

by [Sadie Baker](#) - Tuesday, April 24, 2018, 10:40 PM

I liked that the video explaining our current tax code gave me a simple explanation of how it works, and helped with my general understanding of the reasoning behind it. It impressed upon me that we as a country seem to give strong preference to the less fortunate, seeing how the tax code drastically favors low income levels and gives the rich most of the responsibility. However, in regard to how it painted the people of different income levels, I think it was a bit too simplistic. No doubt the highest earning bracket has that money because they worked hard and made wise choices. But I don't think it is fair to say, as the video insinuates, that those with the lowest income levels are lazy and make bad choices. Still, it is a valuable sentiment reflected in the video that each individual is responsible for their own fate.

I also observed how it was rather suggestive about the attitudes of each bracket of taxpayers. The rich brother is understandably resentful and feels cheated, and the poor brother has a sense of entitlement. The middle brother is okay with paying his portion because at least it's less than the rich brother's. These are the stereotypes which I think most people accept. I'm not going to go into whether or not I think they are right, but I do think that this aspect of the video made it seem to have a persuasive agenda of sorts, which made it hard for me to swallow.

Sum of ratings: [2 \(1\)](#)

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Disclosure to Taxpayers

by [Rachel Gragg](#) - Wednesday, April 25, 2018, 4:42 PM

I agree with President Coolidge for the most part. I believe the money that people work hard to earn should be theirs to keep and I don't think that it's fair to have as much of the paycheck of an American going to taxes. However, I understand that things have to be paid for. As Coolidge said in his speech, "... taxes must be paid. They are not a voluntary contribution to be met out of surplus earnings. They are a stern necessity. They come first" (text-based version of speech). However, I have a hard time with taxes when the people aren't choosing what they are going towards. Just doing a quick internet search will show you some of the ridiculous things the government spends taxpayer money on and it is a little bit absurd. I feel as though if taxpayers will be paying as much as is required, they should at least know exactly what it is going towards and that it shouldn't be used to "[pay] for federal employees to upgrade their flights to business class" (commercialobserver.com). People should help with government spending because things like schools, roads, and bridges need to be paid for somehow, however, people should not have their paychecks go straight to the government.

I think that President Woodrow Wilson would agree as well. I don't think he would have wanted people to be paying taxes on things that they didn't want and paying too much in order to fund those things. As our textbook authors pointed out, "[Wilson] believed that the best government was the government that governed least, and that the welfare of the country hinged not on politicians but on the people" (*Liberty, Equality, Power* pg. 788). If the welfare of the country hinged on the people, then the people would decide what their tax money would be put towards and what it wouldn't be used for. People would know exactly where their taxes are going and exactly what the government is going to do with their tax money and I think that is not only reasonable, but should be considered a right of the American people. People should not have as much money taken out of taxes and have it be put towards ridiculous and unnecessary things that they didn't ask or vote for. What do you guys think? Do you think taxpayers should be

they didn't ask or vote for. What do you guys think? Do you think taxpayers should be fully disclosed on everything their tax money is going towards?

Sum of ratings: 3 (1)

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The example of three brother

by [Jae Sun Ban](#) - Thursday, April 26, 2018, 1:22 PM

Does the Example of the Three Brothers, which provides an explanation of the progressive tax code currently in use, help, hurt, or otherwise influence your understanding of saving, spending, personal choice, and taxation in the United States?

The example seen in the three brothers' video is misleading people's understanding of a progressive tax. The progressive tax means that the federal government uses a higher tax rate for high-income households. The table, "Effective Federal Tax Rates and Average Income for 2010" shows, while the total effective federal tax rate of the top 1% is 29.4%, the total effective federal tax rate of the lowest 20% is only 1.5%. (Taxation note page 3) Therefore, for this aspect, a progressive tax is well explained in the video. However, there are two factors that mislead people's understanding. First, the difference in the salaries of the three brothers is not determined by how much time they spend on their work. Different levels of education make the difference in their salaries. Workers with less than a high school diploma earn \$27,040 for a year, but workers with a professional degree earn \$95,475 for a year. (Unemployment rates and earnings education attainment, 2017 by Bureau of Labor Statistics) Second, income doesn't only depend on labor income. The top 1 percent has household income consisting of 35.8% labor income and 64.2% of unearned income from interest from saving accounts, bond interests, alimony, and dividends from stocks. (Income source before tax, The Distribution of Household Income and Federal Taxes, 2010, Congressional Budget Office)

This example may make people feel victimized by a progressive tax. People in the middle class, who earn a salary between \$42,000 and 125,000 for a year, believe that they pay more taxes because lower-income households don't pay any taxes. However, actually, 80 percent of households, whose income is under \$81,500, gain benefits from a progressive tax by transfer payments by the government. For example, the fourth quintile households get \$13,900 benefit from transfer payments and pay \$14,900 for taxes; the gap between transfer payments and taxes is only \$1,000. Thus, the top 1% of households shares their income with 80% of middle and lower income households. (Income source before tax, The Distribution of Household Income and Federal Taxes, 2010, Congressional Budget Office)

Sum of ratings: 2 (1) 2

[Permalink](#) | [Show parent](#) | [Edit](#) | [Split](#) | [Delete](#) | [Reply](#)**Re: Agree or disagree with Coolidge's position on taxes**by [Sienna Grosse](#) - Thursday, April 26, 2018, 2:48 PM

At first, I found myself wary of Coolidge's position, but after reading more and learning that in conjunction with lowering taxes, he also advocated for dramatically less government spending, I was able to relate to that part of his position. Coolidge believed that cutting government spending and lowering taxes were essential for a sound economy and were moral and constitutional responsibilities. "Economy in Government" was a centerpiece of his administration; this meant a balanced budget, tax rates that were low and reasonable, and paying down the national debt. "One of the greatest favors that can be bestowed upon the American people is economy in government" We heard him say this in the video clip attached to the forum.

While I find that position of his to be compelling, I don't believe in the trickle down effect. I think a more fair taxation is the progressive tax that we have in place today. While there are obviously some flaws, the basic idea that tax rates increase as taxable income increases makes sense to me. The trickle down effect or theory has been proven not to do what it claims.

Sum of ratings: 2 (1) 2

[Permalink](#) | [Show parent](#) | [Edit](#) | [Split](#) | [Delete](#) | [Reply](#)**Re: Taxation 3 Brothers and Me**by [Kevin Gable](#) - Thursday, April 26, 2018, 11:07 PM

The 3 brothers video shows an example of how the current taxation code effects earning and saving in a controlled enviroment. It demonstrates well the concept, "the more you earn; the more you will pay" in taxes. But how does this efect the savings portion of that equation? It's easy to begin with the obvious. It's your personal responsibility to provide for yourself through each stage of life. Welcome to the animal kingdom. It's a place you must survive in. You must plan for that as much as you can. But the video also raises another, "What is my incentive, under this arrangement, to provide for myself?" Taking these questions out of the controlled enviroment and applying ot the US as it is today gets tricky. But I saw another set of similarities. The three brothers (Tom, Dick, and Harry) remind me of the government, myself, and big industry. The government (Tom) doesn't earn money directly. It doesn't have a product it sells overseas or a service that it provides door to door to directly provide revinue. Then I add the fact that Congress has been known for meeting and discussing issues

sometimes at the same working rate as Tom. I also began to see Harry as big industry. Obviously since they have the largest bank accounts it seems fair to bill them with the largest part of the check. That leaves me. I am the last remaining guy who really doesn't wanna speak up because I would rather wealthier people than me pay more so I don't have to. What I saw was the current argument to tax the wealthier more to provide for our collective expenses. I saw me advocating that point purely because it provided me with the argument to keep my taxes lower or even the convenience of staying quiet. The problem with all of this is it's messy and doesn't have an easy solution. But then I thought that maybe President Coolidge had a good idea for a step to a solution. "When we come to realize that the yearly expenses of the governments of this country has reached the stupendous sum of about \$7,500,000." (1:15 into his video) At this time period that is truthfully shocking. He goes on to explain how this number reached so high. He then explained he was going to reduce the government spending by reducing government cost and size. Maybe here is where we can begin to find common ground between the tax brackets in this country? Maybe through reduced spending we can get the government expense down to a level we can all participate in more equally?

Sum of ratings: **2 (1)**

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What conclusions can you draw by examining the history of taxation?

by [Jae Sun Ban](#) - Friday, April 27, 2018, 4:38 PM

What conclusions can you draw by examining the history of taxation in the United States provided in these charts and graphs?

The chart, "U.S. Tax Revenues from 1980 to 2009", shows total tax revenue is increased 5 times for 30 years, between 1980 and 2007; the total tax revenue of 1980 was \$517 billions and the total tax revenue of 2007 was \$2.57 trillions. (Fiscal Year 2017 Historical Table, Budget of the U.S. Government, Table1.1-Summary of Receipts, Outlay, and Surpluses or Deficits) It seems to be the government imposes higher tax rates on people. But, total tax revenue as percentage of GDP had been not changed between 1980 and 2009; the total tax revenue as percentage of GDP in 1980 was 18.5% and the total tax revenue as percentage of GDP in 2007 was 17.9%. (Fiscal Year 2017 Historical Table, Budget of the U.S. Government, Table1.2-Summary of Receipts, Outlay, and Surpluses or Deficits as Percentage of GDP) Also, individual income tax as percentage of total revenue had been not changed between 1980 and 2007; the individual income tax as percentage of total revenue in 1980 was 47.2% and the individual income tax as percentage of total revenue in 2007 was 45.3%. (Fiscal Year 2017 Historical Table, Budget of the U.S. Government, Table2.2-Percentage Composition of Receipts by Source) It means a tax burden of a whole people has been

not changed.

The chart in Wikipedia, "History of income tax rates adjusted for inflation" shows the change of the tax rates of the first bracket and the top bracket between 1913 and 2013. The tax rate of the top bracket were hiked at 94% in 1944 and declined at 77% in 1964, at 50% in 1982, at 38.5% in 1987, at 28% in 1988. Even though, the tax rate of the top bracket was declined, the share of federal tax liability for the top 1% households was increased; the share of federal tax liability for the top 1% households in 1980 was 13.3% and the share of federal tax liability for the top 1% households in 2007 was 26.7%. (Shares of Federal Tax Liabilities, the Distribution of Household Income and Federal Taxes, 2010, Congressional Budget Office) It does not make sense. But, while the lower 80% of households' income had been increased 1.42 times between 1980 and 2007, the top 1% of households' income had been increased 4.2 time at the same period. (Source of Income, the Distribution of Household Income and Federal Taxes, 2010, Congressional Budget Office) The top 1% of households have taken the biggest benefit from economy growth.

Sum of ratings: 2 (1)

2

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Re: What conclusions can you draw by examining the history of taxation?

by [Jae Sun Ban](#) - Friday, April 27, 2018, 5:33 PM

Basically, tax reduction induces increase in income, and then, it brings increase in GDP and increase in government expenditure also induces increase in GDP. In the case of tax reduction in 1964, tax reduction induced increase in GDP without changing debt. But, in the cases of tax reduction during the Reagan's era, not only tax reduction but also increase in government was conducted. So, it is difficult to decide whether tax reduction was operated in a effective way.

Sum of ratings: 1 (1)

1

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Coolidge Speech

by [Kyle Shrope](#) - Friday, April 27, 2018, 5:20 PM

I find myself agreeing with President Coolidge's message. He mentions "I want the people of America to be able to work less for the government -- and more for themselves"(Coolidge Speech). This makes sense to me because when people are going to work they go to earn money for themselves, they come away often frustrated it frustrating when they lose money to taxes. Coolidge makes another strong statement by saying "I want them to have the rewards of their own industry. This is the chief meaning of freedom"(Coolidge Speech). What Coolidge is trying to say is that he wants the American people to take more home from the work they put in. He then goes on to

the American people to take more home from the work they put in. He then goes on to say that this is the meaning of freedom, which is one of the biggest ideas America was founded on.

Sum of ratings: 1 (1)

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Coolidge's Laissez Faire Policies

by [Decker Robinson](#) - Friday, April 27, 2018, 8:51 PM

I find myself agreeing with President Coolidge's taxation stance. Coolidge is honest in saying that the road will not be easy and the people will have to make their sacrifices through taxes. Coolidge also proposes his plan to the people that if the government spends the wage earner money efficiently then the wage earner will not have to work as often. Coolidge, a laissez faire supporter, wanted the government to be able to spend less on things not important to restoring the country after WW1. I think on paper Coolidge's plan sounds very efficient.

Sum of ratings: 1 (1)

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Coolidge Taxation

by [Alexander Thompson](#) - Friday, April 27, 2018, 11:07 PM

For the most part I agree with what Coolidge says. If people want a government, they have to pay for it. It makes sense that "taxes must be paid", and people in a sense must "work" for the government for part of their career. I also agree with his point that government spending should be reduced so that people have more freedom to work for themselves. I do kind of disagree with one of his beginning statements. "The cost of government are all assessed on the people". While I understand Mandatory spending, I think if the government spent money based on what the public wants/needs, we would a) be spending a lot less on national defence, and b) more money would be focused more towards healthcare, social security, education, etc.

Sum of ratings: 1 (1)

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