

HST 203: U.S. History Sp19 (Escobar)

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Taxation
by [Joe Escobar](#) - Friday, April 19, 2019, 11:48 AM

This thread is for discussions on the Taxation topic.

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Re: Taxation
by [DAVID Welshman](#) - Sunday, April 21, 2019, 7:47 AM

The video about the 3 brothers does simplify the way taxation can be understood. Taxation is something that through history has been a issue from all sides. When you work and see others not working but just bleeding the system it is upsetting to some Americans. However those on the system feel they should receive the benefits. I feel that yes taxes should be paid to help in general but that the government also should be careful in its spending. Programs are need to help those who are in need, to fund the military, to help the poor that cannot work. It should be based on what you make so if you make more you should pay more. However the rich would argue that this is not fair.

According to the first chart in the discusstion we see that during the wars taxation does go up, due to the expense it costs to be in a war. WWI and WWII both cost the country a lot of money and this in turn cost the American people a lot of money in paying for the wars. however the negative of not paying would have cost us a loss in these wars.

I do not feel that being republican makes a President charge more for taxes. Its a slippery slope each president wants to have certain programs that they feel the public needs and this creates a tax since someone needs to pay for these programs. Spending should be watched by all and it should be transparent on what the government is spending and how much. we should not give all our funds to other countries or need loans. What we need to do is what I feel Trump can do look at the business of the spending. An we need to find ways to not outsource things that can be made here in America. Its not a simple soultion but we do need to work towards a better system of taxation.

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Re: Taxation
by [Zachary Oswald](#) - Monday, April 22, 2019, 12:48 AM

The United States had a low and relatively flat tax code with minimal government spending until World War One. During World War One the tax rate was highly progressive, with a nearly 12 to 1 ratio between the highest and lowest tax rate (income tax history graph). Tax rates began to return downward under Coolidge but World War Two normalized incredibly high taxation. During the 1980s, taxes on the top income bracket decreased by slightly over half, while taxes on the poorest bracket increased (income tax history graph). However, the individual tax rate is likely not the greatest representation of government taxation, demonstrated by the fact that total government revenue increased at nearly twice the rate of income tax revenue from 1980 to 2008 (first graph in forum materials).

In 2003 and 2013, the tax rate in individual income barely changed. While the Bush Tax cuts only slightly altered individual income taxes, they reduced capital gains and dividend taxes significantly (Wikipedia article on Jobs and Growth Tax Relief Reconciliation Act of 2003). These taxes only apply to people who own stock or sell stocks, bonds, or real estate. These same tax cuts were retained by Obama's taxpayer relief act. These tax cuts barely changed income tax, but cuts to capital gains and dividend taxes specifically helped stockholders and the finance sector.

I agree with Coolidge's general intent to lower taxes, though I disagree with his position that "taxes reach everybody." The graphs and data in the forum materials show that America's tax system has nearly always been progressive. Coolidge's example of 300 dollars from every home ignores the highly unequal tax rate between the richest and poorest.

The main variation lies in how progressive the tax code is. Also, his dire warning of higher taxes impoverishing the American people aren't borne out by history. Our highest period of taxation, from the 1940s to the 1970s coincide with our greatest economic boom. Our lowest period of taxation since WW1 was immediately followed by the Great Depression. This doesn't mean that high taxes equals prosperity or that low taxes equals depression, the Reagan era tax cuts disprove this, only that high or low taxes alone don't appear to correlate with economic prosperity in a straightforward way.

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3

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My opinion on taxation vs. President Coolidge's
by [Cassie Skrepetos](#) - Monday, April 22, 2019, 4:31 PM

After reviewing the charts and tables that Mr.Escobar has provided us with, it has become apparent to me that before we became a more "internationalist" country, we didn't pay nearly as much in taxes. At WWI taxes stayed about historically even, but when WWII came along, taxes rose and never came back to normal again.

President Coolidge said "Taxes take from everyone a part of his earnings and force everyone to work for a certain part of his time for the government," and I believe that is a greatly to put it. Although I personally don't enjoy paying taxes every year, it's the price we pay to live in a country as great as America. Sure, I wish my tax money would be spent wiser, instead of ending up in the hands of certain politicians in our state to be spent on organizations and projects I do not agree with. But, when it comes to paying for national security, our state park reserves, and the salary of military personnel I don't mind working a certain part of my time for the U.S. government.

When President Coolidge's speech became most compelling in when 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 rewards of their own industry. This is the chief meaning of freedom.Until we can reestablish a condition under which the earnings of the people can be kept by the people..." I agree with these statements because I don't feel as if my hard earned money should be used to fund things such as Planned Parenthood, which I personally wouldn't choose to support otherwise, although I have no problem paying to support veteran's, current military, education, etc... The history that followed his time supported his claims. because taxation just kept rising and rising without making a dent in the U.S. debt, leading to a "curtailment of our liberty."

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history of taxation
by [Dylan Boleyn](#) - Monday, April 22, 2019, 8:30 PM

By looking at the history of taxation there are many things I can conclude. it is apparent that both ww1 and ww2 had big impacts on taxes in the u.s . For example, during ww1 and ww2 the country saw the highest spikes in marginal income tax rates . One reason for this spike/increas in income tax during wartime was to pay for the war. Although it was not only the two world wars that caused income taxes to spike other events such as the great depression and any of the revenue/tax acts. what this concludes to me is are related to specific events whare the government demands extra money. To me the reason why both world wars showed the highest spike was because of how expensive wars are these are times when the government needs to demand the most money. another conclusion I can make about taxes is how inflation influenced income taxes over the years. The first set of conclusions I can make is about the number of brackets which increased drastically after world war one and the decreased slowly until

the depression era witch saw a major increas than they started to decrease again and continues to follow the same pattern that the income tax rates did over the years witch means that as the rates go up there has to be more brackets to accommodate the hight rates wich can be hard on the people with less income as they may end up in a wors bracket. another conclusion I can make is that when it comes to total federal income taxes vs individual income taxes at each breaket we tend to have higher federal income taxes rather than individual income taxes but when it comes to the total amount of each tax Americans pay federal is only slightly higher. Also those at the lowest bracket don't even have to pay individual income tax but everybody has to pay federal income tax and finally I can conclude that in general the lowest braket has to pay the least taxes whare as the highest pays the most.

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EVERY TOM DICK AND HARRY
by [Adam Moore](#) - Monday, April 22, 2019, 11:09 PM

Watching this video and realizing that the very last suggestion of dividing cost for improvements based on an arbitrary system of division and knowing that this is the most current American Taxation codes in use was disturbing. This theory of division at its very simplistic form is the most outlandish suggestion made.

Tom’s breakdown at minute marker 3:10 of the three brothers’ video, simply does not facilitate a “fair share” principle. He suggests that he pay nothing, Dick should pay \$6,550, and Harry should pay \$23,450. “To Dick this was completely arbitrary but it did have one big plus, his share would be 2,450 dollars less under toms formula than under his own so he decided to be silent.”(Three Brothers video, marker 3:22) In greed, American Middle-Class is always readily agreeable to this tax strategy because of the savings we receive in the short-term, the share is always fair if someone else is paying it. What we do not realize as a society is, that this choice to be complacent is hurting our free market, capitalism and slowly killing the “American-Dream”.

Most college students live in the financial realm of Tom. But after college depending on student debt will be in the financial realm of Dick, and a few will go on to be the Harry’s of the world. The incentive to be the Harry is fading. While the Toms begin to increase in volume. Personally, currently in my life my wife and I fall into Dick’s category. Being that we do benefit from the lower tax brackets and I do have a child in elementary school – I do not foresee myself wanting the progressive tax system changed while I am a student. Ideally, I mostly agree with the flat-tax presented by Dick at minute marker 2:46 of the video. Though his idea is sensible because its income driven, it still places the burden of expenditures primarily on Harry.

Looking at the overall picture of the statistics and videos provided it makes complete sense that the Harry’s of the world tend to stockpile resources away for harder times. If I had to give up a 39.6% of my earnings (https://en.wikipedia.org/wiki/Income_tax_in_the_United_States#History_of_top_rates) I to would be less inclined to freely give. The wealthiest people in the United States pay more than their fair share.

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Re: EVERY TOM DICK AND HARRY
by [Zachary Oswald](#) - Tuesday, April 23, 2019, 11:45 PM

While the video is an accurate and effective explanation of a Progressive Tax system, the video leaves out any of the actual justification for a progressive tax. The important point is that a progressive tax system isn't truly based on a system of "paying a fair share," it's based on the redistribution of wealth to the masses.

Tom, Dick, and Harry may have the same job and homes, but their resources are incredibly different. Despite this difference, they will all benefit equally from the gate at the end of the street with fewer burglaries. However, Harry has the resources to afford excellent home insurance, security cameras, a small arsenal, and new doors on his house. Dick can afford to put up a few security cameras. Tom can afford to pray that his house isn't burglarized. A little redistribution of wealth allows all of them to afford proper security, instead of just Harry.

Under the equal share system the brothers initially discuss, Tom would be a fool to spend 40% of his income on street improvements, regardless of the benefit. Even a flat tax is ruinous for Tom, \$3,000 is a massive amount on a 25K salary. Imagine if the brothers had insisted on a flat tax. Dick would feel some pain and Harry would barely notice the expense. Tom would see his income drop from 2083 a month to 1833, a 250 a month drop. That's a massive decrease in such a low income. Tom loses out on any ability to save, may have to sell his car, or might even start missing bill payments. I doubt that most anybody in Tom's income bracket can just "tighten their belt," the belt's all out of notches.

Take the example of your daughter's school. It's likely funded by property taxes, which are taxes paid by most of the Dicks and all the Harrys. Their money is redistributed to the Toms of the world, allowing Tom's children a better education, opportunity, and upward mobility than the Toms could provide through their own taxes. As you explain yourself, you benefit from Dick and Harry's money and, as a result, have a chance of entering their income brackets. This redistribution drives the American Dream.

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Thank you for such a thought filled reply Zachary.

by [Adam Moore](#) - Thursday, April 25, 2019, 8:18 PM

I find it interesting that most people hold our Progressive Tax System as a means to redistribute of wealth. This system is not redistribution it is theft by democracy as the Video also points out at minute mark 4:13 of the three brothers.

Effective Federal Tax Rates and Average Incomes for 2010 ^[10]					
Quintile	Average Income Before Taxes	Effective Individual Income Tax Rate	Effective Payroll Tax Rate	Combined Effective Income and Payroll Tax Rate	Total Effective Federal Tax Rate (includes corporate income and excise taxes)
Lowest	\$24,100	−9.2%	8.4%	−0.8%	1.5%
Second	\$44,200	−2.3%	7.8%	5.5%	7.2%
Middle	\$65,400	1.6%	8.3%	9.9%	11.5%
Fourth	\$95,500	5.0%	9.0%	14.0%	15.6%
Highest	\$239,100	13.8%	6.7%	20.5%	24.0%
81st to 90th Percentiles	\$134,600	8.1%	9.4%	17.5%	19.3%
91st to 95th Percentiles	\$181,600	10.7%	8.9%	19.6%	21.6%
96th to 99th Percentiles	\$286,400	15.1%	7.1%	22.2%	24.9%
Top 1%	\$1,434,900	20.1%	2.2%	22.3%	29.4%

(provided in taxation documents.)

As you can see by this graphic above, the Progressive Tax System primarily hurts the upper middle class. This specific group bridges the gap by being more financially burdened then the lowest and the highest income classes. At this middle ground they make enough to be taxed at a much higher rate than the lower income brackets, yet they never get to see any of the benefits.

As a college student in the upper-middle class taxation bracket, I am excluded from many scholarships, Pell grants, and have very limited access to student loans. Yet if I lost just a little income, I would receive an exceptional amount of government assistance. The government is not Robin Hood. A better comparison for our government’s taxation is the children’s book, “If You Give a Mouse a Cookie.” Professor Escobar has shared a similar opinion when speaking about taxes,” If you allow the government to have a sales tax at 1% you can guarantee they will raise it to seven.” The government does not redistribute wealth they take your wealth and use it as they see fit. The sixteenth amendment lays out the government’s view of taxes very clearly. “The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.” This basically means the government can tax us without our consent. The Declaration of Independence had some very curt words to say about such behavior. It is the government’s job to secure our freedoms to pursue life, liberty, and the pursuit of happiness it is not their purpose to redistribute it.

In the video I completely agree with you that Tom, Dick, and Harry have the same homes and jobs, but they have different priorities. Harry wants to work to secure that his family and children are taken care of whereas Tom, and Dick chose to selfishly spend all their income on themselves and rely on Social Security as their retirement (*Minute marker 0:55 of taxation video.*)

I also agree with you that Dick and Harry can afford some additional securities, so it goes without saying they are freely willing to spend their money to help their lower income brother. If they followed Harry's plan of an even split Harry and Dick are freely choosing to pay money to something they don't really need because as you stated they can upgrade their homes with security and other means, but that is not good enough for Tom. Since he is the lowest income brother, he feels that the burden should fall solely on the shoulders of his brothers who work hard to ensure some financial freedom for their families. However, you failed to mention the upgrades of other things on the street, not just security, increase property value to all the homes. Tom not only benefits the most, but he does not have to pay for it in the slightest. I believe in the rights of Tom's brothers to choose to help him. If Dick and Harry want to give Tom a helping hand that is there right and should be encouraged, but when you start forcefully taking from Harry because Tom does not want to have to pay that is wrong on every level.

Again, you are correct that under the equal share system that Tom would never have agreed to start the building process for the upgrades to the neighborhood it would have been extremely foolish of him. This is why you see home owner associates, where the choice is taken from you by agreeing to live in a neighborhood with an established HOA. Under the flat tax of 12%, Tom would get the satisfaction of knowing that he paid into the investment he is now benefiting from. Make no mistake those improvements would raise property values and if Tom sold his home then he would benefit.

You bring up a great point that even 12% is high for Tom that amount does drop his already low salary and may put hardships on his family. What you fail to see is Tom freely chose to move to that neighborhood and he freely agreed that the improvements should take place. Therefore, if Tom could not afford to pay for those things, why would he make the unanimous decision to upgrade the neighborhood? If losing 250 dollars of Tom's monthly earnings would force him to miss bills and/or cause him to liquid assets such as his automobile, then he should have freely made the choice not to move into that neighborhood. Home ownership comes with some hefty costs, maintenance and upkeep.

My child's school is a great example to bring up. You may not know this but even if you rent the property owner is paying taxes on that property, so even Tom is paying for the schools within his district although more indirectly. Tom is benefiting from the schools and he must pay into that system. Property taxes are based off the value of the home and taxed at a flat rate, so I agree we should go off that model. With Flat Tax, everyone can benefit from the governmental programs and have the satisfaction of knowing they had an equal part in the success of funding it.

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Taxes in America
by [Anthony Nguyen](#) - Monday, April 22, 2019, 11:54 PM

One of the first things I noticed while reviewing the "U.S. tax revenues from 1980 to 2009" graph was that while both income and total tax revenues have increased over time, the total tax revenue has increased far more than income taxes have, which leads me to conclude that the government has found alternative ways to tax citizens. I'm curious as to how this has affected American life and the financial status of the U.S and citizens. I speculate that the advancement in technology has given the government the ability to tax us on things that people back then wouldn't have had to worry about. Also, I always knew that the richer people paid more taxes, however after reviewing the pie chart I realized how much they actually pay. To me, this is a fair amount because they are able to contribute much more, and so they should for the greater good of our country.

Additionally, I find myself not being able to decide if I agree with former President Coolidge. On the one hand it would be nice to receive more of the money that I worked for on my checks, however It is more important that the government is able to be funded and receive money to make positive changes for our society. Although I would be happier paying taxes if the government spent our tax dollars more wisely on important issues such as education or infrastructure.

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Re: Taxation

by [Dago Franck-Nathan Kouassi](#) - Tuesday, April 23, 2019, 10:05 AM

What conclusions can you draw by looking at the history of US taxation presented in these tables and charts? I noticed the taxes imposed during the 1990s due to the economic problem that the country had. the two world wars were the period or the debts of us were really high. According to the forum material ("Taxes spiked during World war 2 and never came back down)" as a result, the taxes were also high and never became the same again. The Americans needed money to repay all their debts, for which they had to raise taxes. But the policy that the federal government spent more money than they received taxes. According to the (Historical Highest MarginalIncome Tax Rates in the U.S) in the 1920s, the tax revenues were very high and was a percentage of 80% from the first world war. but after this, during the Great Depression, the tax income was 20%. and climbed to 90% during the Second World War. this shows the effect of world wars on the US economy over time.

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Re: Taxation

by [Dago Franck-Nathan Kouassi](#) - Wednesday, April 24, 2019, 12:23 AM

the progressive tax code in the United States, where the rich pay a higher percentage of their income than the poor. This can be seen from different perspectives. I find it just that the rich pay more than the poor in their taxes because the rich make a lot of income. But however, they earn a lot of money because they work more. Pra example in the video of the three brothers. Henry works 60 hours a week, while brother works less time than he does a week. But he must pay a higher tax than his brother at 70% of the federal income tax paid because he earns more than his brothers. Another reason is also that he saves his money for the future. It influences my personal choice. it hurts, but I think when the state pays back, the rich will earn more money back than the poor. But also, poor people also enjoy the benefits of the state, even if they do not pay a lot of tax. because the government uses this money to build roads, a free school for children, hospitals. whatever your social reputation, all the population is a benefit from the actions of the state. So it is not very fair that the rich pay more than the poor.

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Re: Taxation

by [Anthony Nguyen](#) - Saturday, April 27, 2019, 11:50 PM

I see your point and the video did bring up good arguments, however I think it's important to note that not all rich people work hard for 60 hours a week like Henry. Lots of wealthy people were born into money and had greater education and business opportunities than those who were raised in a low-income household. The example from the video uses three brothers, raised in identical environments, which is not a good reflection of the reality of wage-disparity in our society. It is far more difficult to become rich when you are poor than it is to stay rich when you were already rich. Therefore, I do believe that a progressive tax is fair, because high-income people have far more opportunities and advantages than low-income people. Additionally, many of those high-income people came from high-income families. The idea that the rich work harder and deserve their money isn't always true. Many low-income people work extremely hard just to get by but lack the privilege of coming from a high-income family.

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Democrats and Republican views on Tax Cut Effectiveness: "Voo-Doo" Economics or Economic Growth? Re: Taxation

by [Jason Fitzsimmons](#) - Wednesday, April 24, 2019, 7:15 AM

Ben Shapiro on Why TAX CUTS Work

: Source selected for forum comment, Ben Shapiro on Why Tax cuts work.

In this clip Ben Shapiro, Republican, conservative, author, commentator, Harvard Law School graduate and Public Speaker gives a critique on a press conference held by Democrat Chuck Schumer, senator minority leader of New York with Nancy Pelosi react to the passage of the GOP Tax Plan (7/21/2017).

Chuck Schumer claims that only big businesses benefit from tax cuts, large American corporations are using the benefits of tax breaks to pay CEOs a King's ransom in salary/bonuses and not investing anything back into the lives of employees. In this clip, Schumer attacks AT&T stating that "trickle down economics" is a farce and Americans and economists do not believe this works, corporations are "flush with cash", and that over the last ten years AT&T paid an average tax rate of 8% per year but now has 80k fewer employees. Schumer uses this claim to say that "tax breaks don't work" as intended and do not lead to job creation and only to "provide more money for the very wealthy". The view from the left seems to be a cartoonish picture of fabulous wealthy American corporate CEOs swimming in huge piles of gold in their airplane hangar-sized vaults why the poor are taken advantage of. As the Brothers video points out if people are unwilling to work hard, save money, and invest wisely why should other "free" citizens be forced to make up the shortfalls for other's bad decisions? Why is it ok for you to steal from my coffers? Why are you entitled other people's hard-earned money?

Schumer's comments were unfounded and out of line. The proof: AT&T announced the same day of this press conference that they will be investing an additional 1 billion dollars in the US economy in 2019 and pay a 1000 dollar bonus to more than 200k employees in additionally Boeing announced it will be investing 300 million dollars in corporate giving, workforce development, and infrastructure, Bank Corp. is raising their employee's base wage to 15.00 per hour as well as 1000 dollar bonus to 13k employees, banking giant Wells Fargo is also raising their base pay to 15\$ per hour, Com Cast will give 1000 dollar bonuses to over 100k employees and invest 50 billion over the next five years in infrastructure. Many businesses are investing in employees, investing in infrastructure and donating money due to tax cuts leading to economic growth.

Many Democrats claim that the rich do not pay their fair share of taxes and it has become almost a religion or been fetishized, especially from more radical leftists to want to tax the wealthiest Americans into oblivion at times in the name of philanthropy with other people's money. Id asks these people to look at the members of their own parties and their wealth and privilege before hurling accusations. That is not to say that programs like welfare, workman's compensation, social security, and unemployment insurance are not worth-while even crucial safety nets when one falls on bad times. But these measures are better used short term to get back on one's own financial feet not to expect to live comfortably on the backs of more ambitious, hard-working citizens who have sacrificed more to make more money. I know many smart even brilliant academics who live in abject poverty always decrying the awful evil, greedy corporations and the GOP for being to blame, even though they refuse to work full time, or at all and somehow feel entitled to hard working people's money, it is appalling. The old adage "you sleep in the bed you made" is an as basic tenant of the human condition, if you are not adding anything tangible to society, either live with the consequences or try to improve your situation through work, not be a self-entitled parasite. Continued dependence on government handouts almost guarantees a pay check to pay check existence.

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Re: Democrats and Republican views on Tax Cut Effectiveness: "Voo-Doo" Economics or Economic Growth? Re: Taxation

by [Zachary Oswald](#) - Thursday, April 25, 2019, 8:41 PM

I think that Shapiro's statements are interesting in that they make the same argument as Coolidge but using an almost opposite strategy. Coolidge's statements emphasized the effect of taxes on average Americans and characterized taxes as forced labor for the government. He barely mentions the wealthy and focuses on working-class Americans keeping the full fruit of their labors. Also, Coolidge characterizes taxes as an obstacle to Americans earning food, shelter, and clothing. This might be somewhat deceptive since the wealthy saw a much more dramatic decline in taxes than the poor during the 1920s (history of income tax rate graph).

Shapiro uses a very different strategy, he characterizes corporate taxes as an assault on the institutions that Americans are dependent on, large businesses. He directly equates dependency on government programs with dependency on business and capitalism. His argument is that lower tax rates on corporations benefit Americans because those Americans are employees and dependent on corporations. This is a very direct and unvarnished presentation of trickle-down economics.

However, Shapiro is a bit deceptive in this video himself. AT&T presented their \$1000 bonus as a response to Trump's tax plan, but this \$1000 bonus was actually secured by union negotiations a few months prior. AT&T doesn't seem to have hired the people they said they would, it appears that they might have fired as many as 7,000 workers. They're currently the subject of a National Labor Relations Board complaint for refusing to explain how they'll invest the money from the tax cut, though they've been buying back stock at an incredible rate. It seems to me that while companies like AT&T do sink profits into capital investment, the assumption that they act with the interests of workers in mind is flatly wrong.

More details on AT&T and the tax plan can be found here. <https://www.theguardian.com/us-news/2018/aug/28/att-earns-record-profits-layoffs-outsourcing-continue>

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the 3 brothers example

by [Dylan Boleyn](#) - Wednesday, April 24, 2019, 9:01 PM

the example of the three brothers did not help or hurt my understanding of saving in the u.s . Although it does provide a simple explanation of a way in which one can save their money to benefit the future, fortunately, I have already learned a lot about investments from my parents and previous classes. This video did help show me how personal choice can affect your taxes. I helped me understand that when I work less while I may not pay much on taxes I won't have much to put into savings and my lifestyle will have to be very different since I won't be able to afford luxuries. So there ends up being a tread off and I think this is demonstrated in this example. Some may say it is more complicated than how this example puts it and that is true although, I think it gives a good basic understanding of these concepts without throwing in all the complicated stuff which can make these concepts hard to learn. This is the reason why I find this example helpful it helps give a better ground-level understanding of these concepts without throwing in a bunch of variables. lastly, I think this example really helps prove that the highest percent pay the most taxes. Not only does it proves this but it gives a reason why our government does this. like the example shows if everyone had to pay the same rate on taxes the people that don't have much money might not be able to pay. While this video may not be 100% accurate it gets its point across very well.

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The 1920s success compared to a century later

by [Alex Davis](#) - Thursday, April 25, 2019, 8:06 AM

It's shown the 1920s were a success. After the war tax rates dropped tremendously and personal income tax increased a great deal and started a new decade where new excitement occurred. Radio broadcasting became big, refrigerators changed people's lives, and cars were on the rise. People were optimistic about what was to come in the future. The tax rates dropping after the war helped start off this new decade of success for sure. Almost a century later in 2019 do you think when we get into the 2020s we can expect or see some of this success why or why not?

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Re: The 1920s success compared to a century later

by [Cassie Skrepetos](#) - Saturday, April 27, 2019, 4:42 PM

In my opinion, I do not believe that the 20's of the 21st century will see as much success, excitement, or economic boom as the 20's of the 1900's were privy to. With no great war, or even amazing inventions on the horizon (that we know of), I don't see America booming like it did a century ago. In the 1920's there were so many technological advances to be had, and whether it be that we aren't lacking any means of communication, entertainment, or transportation - or maybe I'm just not very creative or inventive - I don't see any new advancements coming into our modern world and causing such an economic boom. The fact that America isn't in any large wars also gives me further evidence that we won't see a great change in just a few years. When America was in WWI, they were able to capture the business of foreign countries - they were meeting the demands that other countries couldn't meet themselves. America laid claim on markets that used to be "owned" by Europe. When WWI ended, America was able to keep the market on our land, becoming a pivotal role in exports, without the expenses of war. These factors lead to the rise in American income, and are to me, the reasons that America will not see the same successful economy as we once did in the 1920's, in the 2020's.

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Coolidge for small government

by [Owen McCoy](#) - Thursday, April 25, 2019, 9:25 AM

President Coolidge's position seems to be that the government should be more efficient with its spending lest the burden of inefficiency fall upon the taxpayers. He makes his goal very clear: "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 rewards of their own industry. This is the chief meaning of freedom." (Coolidge, 1924) One of the graphs from the forum 2 materials shows that during Coolidge's presidency, tax rates for the first bracket dropped for 3% in 1923 to 0.375% in 1929. Similarly, the tax rates for the top bracket dropped from 43.5% in 1923 to 24% in 1929. These statistics suggest that Coolidge was following through with his commitment to lower taxes.

I recall Herman Cain's article on American Exceptionalism from the [forum 1](#) materials. He claims that "because they [progressives] strive for a limitless federal government, they are willing to sacrifice the rugged individualism that has made this nation exceptional in exchange for the collective salvation they believe a vast government provides." (Cain, 2011) He seems to share Coolidge's view that government should be limited. Coolidge's claims are valid because we've seen the federal government expand to become a colossal entity with colossal expenses. By the end of World War II, the same graph shows that the first bracket was paying a 23% federal income tax and for the top bracket it was a whopping 94%. The history of taxes article sums it up very well: "Tax rates tend to change (often for the worse) from their rates at the time of their enactment." (Fontinelle, 2019)

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graph analysis

by [Jack Swisher](#) - Thursday, April 25, 2019, 9:36 PM

There is a lot of information that can be concluded from the charts and graphs given to us. From world war two and on, there was not much of a drop in tax rates. Taxes were never the same after the war, the marginal income tax was ranging pretty low before the war, and sky rocketed up to 80 percent at world war one, and reached above 90 percent during world war two. The income tax was crucial in paying for the world war one's debt. "For example, in 1913 when the federal income tax was implemented to help finance World War I After that, the rate gradually has stayed the same." (investopedia) There were some exceptions, during the great depression, the income tax was down to around 25 percent. After the tax reform in 1986, the rate dropped significantly, and is about the same as where we are today. As for who pays what, the charts show that the 81 to 99th percentile are paying 44.6 percent of the taxes, the 61 to 80 are paying 17.6 percent, the top 1 percent pays 24 percent, and the bottom 1 to 20th are paying 0.4 percent. The first two graphs show us that there is a larger tax revenue recently, then there was in the 1980's. In 2007 the total federal revenue was 2,500,000. In 1980 it was 500,000. Which is funny because I thought Bush and Obama both had tax cuts? These graphs also conclude that there has been a lot more federal in the past 40 years, then in the first 50. Taxes started officially in 1797 with the estate tax, but that was later repealed and then reinstated in 1916. The reason the federal revenue was so low, was because most taxes were not implemented, and the income tax rate was low. For example, "tax rates were the same for everyone in the beginning, \$10 to 20,000 means you payed 2 percent." (investopedia.com) Most taxes came later on past the federal income tax of 1913.

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Re: Taxation

by [Dago Franck-Nathan Kouassi](#) - Friday, April 26, 2019, 11:06 AM

Do you agree or disagree With President Coolidge's position on taxation?
yes, I agree with President Coolidge's position, the people must eat from these efforts, yes the government depends on the population to complete its actions, to have money to support its constitution and all the financial needs of the state. That does not mean that the population has to starve, forget about their family, work some hours for the state, and also pay their taxes. in the video, (Calvin Coolidge Speaks On Taxation - 4 minutes) The President said, "This is a difficult task to understand. the government should add 100 million dollars of expense, it would be a great deal to pay for these expenses". what I totally agree with her remarks, the state should not just consider its defenses, based on the facts that there is a population that is there to work for her and provide her with everything she needs No, it is not fair, the President has done well to limit the government's expenses. People need to eat from their own work.

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Coolidge

by [Jack Swisher](#) - Saturday, April 27, 2019, 10:54 AM

I liked a lot of President Coolidge's points concerning taxation in the United States, but I also disagree with some knowing what goes on in the United States today. When he said "people must pay taxes no matter how low his sale." This was a great comment in my opinion, this correlates to the video of the three brothers Tom, Dick and Harry. Tom didn't have to pay a dime for the construction expenses, but Harry payed a large amount of the total cost. Next, expenses take away from everyone and reach everyone. This has to do with how the government spends their money, and how it affects the citizens. For example, schools and roads. But the difference with today and the time when Coolidge spoke on this was population. Today, taxes will be higher for Americans because there is more of a need for schools, fixing roads, and overall more governmental services. I don't think that comment would fit with today's society, because with more people there is, the more money is going to be needed to reach everyone. Calvin Coolidge made this speech in the 1920's, he said things like, "I want people of the United States to work more for themselves, and less for the government, and the earnings of the people should be kept by the people." I have to disagree with this. At the time there were not a whole lot of taxes implemented in the country. So at that point, it seemed as if the people could actually keep a good amount of their earnings. Taxes were sprouting up around the 1930's, "11 more states in 1933 and 18 more states by 1940." (investopedia.com Talking about state income taxes.) More taxes after this speech included the social security act, "President Franklin Roosevelt signed the [Social Security Act](#) in 1935 and Social Security taxes were first collected in January 1937, although no benefits were paid until January 1940." (investopedia.com) Next, I will explain why his views on people keeping a lot of their earnings would not work today. In 1913 this was the tax rate,1% on income of \$0 to \$20,000, 2% on income of \$20,000 to \$50,000, 3% on income of \$50,000 to \$75,000, 4% on income of \$75,000 to \$100,000, 5% on income of \$100,000 to \$250,000, 6% on income of \$250,000 to \$500,000, and 7% on income of \$500,000 and up. (investopedia.com) But this point of view would not work today because, "Tax rates were the same for everyone – there was no [filing status](#), and there was no distinction between single taxpayers, married taxpayers filing jointly, married taxpayers filing separately and [heads of household](#). By 2009, tax rates had increased considerably, with a top marginal tax rate of 35%. Modern tax rates also depend on filing status." (investopedia.com)

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Aesop's fable: The grasshopper and the ant. Does the prgressive tax structure punish hardworking and economic disciplined citizens? Re: Taxation

by [Jason Fitzsimmons](#) - Saturday, April 27, 2019, 11:52 AM

The three brothers video unequivocally reinforced my position on the progressive tax and work ethic.

The example of the three brothers illustrates the importance of planning ahead and impulse control, akin to Aesop’s fable “*The ant and the grasshopper*.” The Three brothers video illustrated the concept of self-reliance, putting money away, planning for the future and hard work and how those who work reduced hours or not at all feel entitled to a hardworking people’s money they earned off the sweat of their brow. Human being, as well as other mammals, have an innate sense of fairness. Collectivist grand narratives ultimately fail due to the fact that when it comes down to practical issues it is ultimately exposed as an anti-human doctrine based on ideals of utopian fantasy that will never exist, without authoritarian enforcement and the removal of personal liberties and property rights it’s not even a remote possibility. The idea of someone working less yet expecting the same as those who work hard and save is beyond contemptible.

To give an anecdotal example: I come from a blue-collar, military family. My father is a successful entrepreneur who came from a tragically poor upbringing of 13 kids in a one-bedroom house. He never asked for help, served his country in the Marines, and grew an electrical contracting business built on his own back. He saved his money and rarely buys anything nice for himself, ensuring there is money always in the bank and that his money works for him (investments). He is the typical example of the “ant”. However, many family members and others come to him asking for money and calling him selfish if he doesn’t share his “good fortune”, many are drug addicts or lazy and seem to think he owes them something just for them existing, he believes in charity and will help those that ask, many times not being paid back or even thanked. My dad has had a profound influence on my beliefs regarding hard work, self-reliance, and planning.

I think it’s a mistake to punish successful people who work hard and save, all this does is cause people to give up or move to more business-friendly locations.

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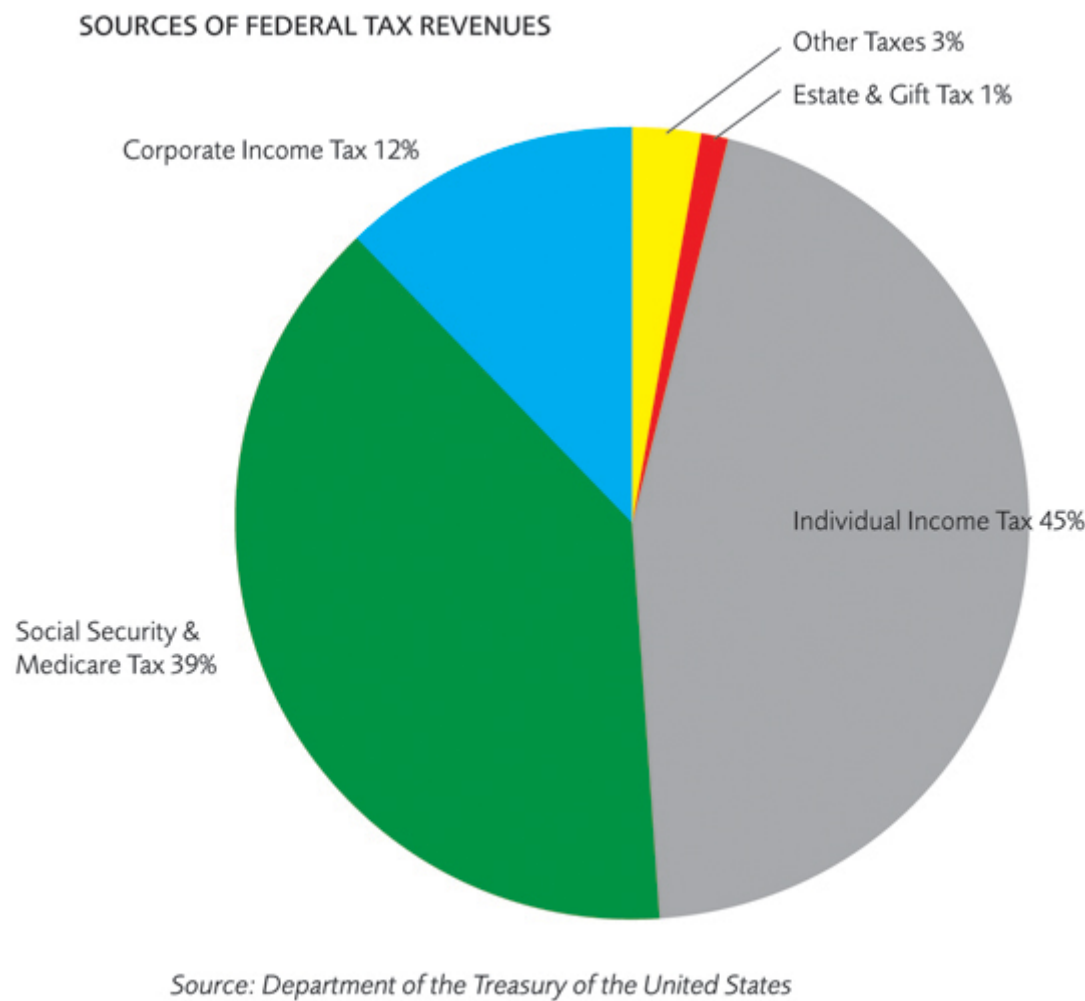
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A 17% Flat Tax for all?: Reducing the power of special interest lobbies and political tax favors.Re: Taxation
by [Jason Fitzsimmons](#) - Saturday, April 27, 2019, 1:03 PM

The federal government takes its money in the form of collected taxes. Before 1933 the United States currency was tied to a gold standard and the amount of total currency in circulation was tied to the amount of gold the government held in reserve, this limited the amount of money that could be printed (2010, Anthony Davies, Mercatus Center). The USA is now on a fiat (Latin, let it be done) currency system, basically, this means the feds print money which is not backed by any physical commodity like gold or silver. The decoupling of American currency from a physical commodity gives the government a license to print money (Fiat currency explained).



The gold standard limited the amount of money the govt can print, when a govt can print money, often an inflation tax, the govt increases the money supply and prices rise to reduce the value of the printed money. The value of the US dollar has decreased by 98% since 1914 (point, Gold Standard vs. Fiat). According to George Mason University author and scholar Anthony Davies: "The inflation tax is insidious because it is usually unseen (when inflation is moderate, people tend not to notice it and, when they do, fail to appreciate that it is in fact a tax). Furthermore, it is impossible to avoid. Understanding that inflation is also a tax leads us to a fundamental truth: The only way the government can obtain money is through taxation." One strong caveat about a commodity backed currency system is that the supply of gold is limited and one countries' massive gold finding can create a volatile situation in world markets.

The United States was founded on a rebellion against unfair taxes. The current Federal Income tax code, which is in the neighborhood of 10 million words, is an unwieldy, monstrosity an albatross around the necks of everyday working Americas and the health of the US economy (Prager U, would a Flat tax be fairer?). Modern politicians use the complexity of the tax code to dole out tax favors. Money magazine conducted a study on a hypothetical family's finances and gave the numbers to 46 tax preparers the results shower 46 different estimates, with discrepancies running into thousands of dollars of owed. The cost of compliance is amazing, a George Mason University study put the annual cost at around 378\$ billion and they found that the total annual economic cost is around 600\$ billion.

Many have proposed a flat tax in opposition to the current system. A flat tax would have no deductions minus one for each adult and each child. A flat tax would take much of the power out of bureaucrat's hands, most importantly the powerful special interest lobby. In his book "Reviving America" Steven Forbes proposes a flat tax for individuals and corporations of 17%. A family of four who makes less than 52,800\$ annually would pay zero income tax, Forbes points out that this double the current US poverty level. A flat tax seems to be the best way to get rid of our overcomplicated golem of tax loopholes and would lead to an actual fair tax code

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The legacy of Calvin Coolidge, whispers from the past of rational Tax Policy Re: Taxation

by [Jason Fitzsimmons](#) - Saturday, April 27, 2019, 4:07 PM

"I want the people of America to be able to work less for the Government and more for themselves."- Calvin Coolidge

Being a disciple and ardent proponent of a small government working in the interest of prosperity for the American citizen, as well for fair taxes and rational social programs, I find myself almost agreeing with president Coolidge word for word. The most compelling part of his address for me is when he speaks of returning to a condition when Americans can keep all or most of their pay. And how he explains that high taxation (working for the government

instead of themselves) is a hindrance to liberty, agreed. Coolidge’s statement on how the government “reaches into every home” and take tax by the threat of force not a voluntary act with surplus income (Video, around 3:15 mark), is also very compelling. In general President Coolidge’s approach to the government is refreshing, he was very aware that he was in service of the American people, not the reverse and wanted Americans to be as prosperous as possible with the government staying out of the way. Coolidge wanted the government to manage the people’s taxes responsibly.

“The collection of any taxes which are not absolutely required, which do not beyond reasonable doubt contribute to the public welfare, is only a species of legalized larceny. Under this republic, the rewards of industry belong to those who earn them. The only constitutional tax is the tax which ministers to public necessity. The property of the country belongs to the people of the country. Their title is absolute.” -President Calvin Coolidge, 1925 Inaugural Address.

When President Wilson was in office, he imposed steep taxes on wealthy Americans, so the rich tended to shelter their money for example “placed large amounts of money in tax-sheltering financial mechanisms like municipal bonds in lieu of them investing profits into the private economy (Taxation: The Peoples’ Business, A. Mellon). During the Harding administration tax rates were reduced with the 1921 Revenue Act, in 1922 the combined marginal normal surtax rate was reduced to 58% from 73% and in 1923 (income over 200k) was reduced further to 50%. The Harding era tax cuts were continued in 2nd round tax cuts during Woodrow Wilsons presidency, the revenue act of 1926 slashed the tax rate once again to 25% for incomes over 100k (2015, R. Thomas, CCPF). One thing I admire about President Coolidge is that he used his tax accomplishments to pay down the national debt, in 1923 the national debt was 22.3 billion and when he left office in 1929 it was 16.9 billion. The federal budget in 1921 was 5.1 billion in 1929 was 3.3 billion.

Coolidge’s mantra of a government for the people, thrift and responsible tax management seem to me to be rational and many of his warnings have certainly been born out. The increasing complex Federal Income Tax code which is currently 10 million plus words is certainly the opposite of Coolidge’s policies.

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Taxation Coolidge opinion

by [Sidney Axtell](#) - Saturday, April 27, 2019, 8:26 PM

I would agree with Coolidge. I think he had it exactly right. Reducing the taxes boosted the economy by freeing up money. Budget and tax policies unleashed a period of economic growth and expansion. It also resulted in low unemployment rates as well a increase in the standard of living for the middle-class citizens. Our current economic boost is a result of tax cut and deregulation. What I found most compelling was how the Coolidge tax cuts also lowered tax rates and helped the business expansion which occurred during the 1920s.

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the brothers

by [Jack Swisher](#) - Saturday, April 27, 2019, 8:49 PM

This video does a good job of explaining the tax code today. The three ideas of splitting the bill all gave a different viewpoint of different ways to tax america. The first idea of all three classes paying 10,000 each will benefit the rich, and will raise the middle classes a bit, and hurt the lower class a lot. This will most likely not win in a vote because the lower and middle class will oppose it. The most identical plan that it is close too today's plan is the one where Tom doesn’t spend a dime. Tom makes 25 thousand a year, Dick makes 75 thousand a year, and Harry makes 150 thousand a year. Harry and his wife worked a lot harder than the other two couples. But Dick pays 6,500 towards the construction expenses, and Harry takes most of the bill and pays 23,450 dollars. This will most likely pass in a vote because it benefits the lower class so much, and helps the middle class as well. This is not how it should be, personally I believe that the rich should not be having to pay so much when they work very hard to get to where they are. I do not believe that each class should pay the same price though either. The lower class should pay more, the middle class pay more, and the rich still pay the most, but not as much as they do.

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Taxation on the richest

by [Sidney Axtell](#) - Saturday, April 27, 2019, 9:55 PM

The Three Brothers clip did a great job explaining the tax code. I don't think taxing the rich will solve inequality. I personally believe it is wrong to single out the rich with higher taxes. Increasing taxes for the wealthiest is socially divisive. It also encourages a class war situation. What will end up happening is the poor and middle class will begin to resent the rich, and the rich, who find themselves paying an increasing share of the tax bill, resent the poor and the middle class in return. The example of this is Harry. He ends up taking majority of the bill, just because he has the most money saved up. The brothers who are lower, and middle class resent their brother due to the fact that he doesn't want to pay the \$23,450 dollars for the work done to the street that benefits not just him, but the other two brothers.

In the article by CNN "Sorry, Mr. Obama: Here's why raising the taxes on the rich won't work" explains how Raising tax rates on the rich hurts the economy. It takes money right out from under small and medium-sized business owners, leaving them with less for hiring more workers. The article goes on by saying "The best way to soak the rich is through low tax rates on work and investment, which create a prosperous economy with rising incomes for everyone."

I believe that taxes should be reasonable in each class group. Not just unfairly taxing the ones who have more money.

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Taxation and Coolidge

by [Baylee Crowson](#) - Saturday, April 27, 2019, 11:10 PM

The conclusions I draw from all the charts is that the US needs to get their crap together and start finding an actual plan to ACTUALLY help get the nation's debt down. I also see that taxes raised in 1940-1950 because of the war and taxes never went down. So if taxes never went down afterwards, then why in the world are the country's leaders/people getting us into an ever rising level of debt? I agree with him to an extent. I think it would be great to keep more money from our paychecks but I also think the government needs to find some hailmary to get the nation to a point where we are lowering our debt and that's what the increased revenue should be going to. I obviously know it won't happen in a week, month, year or probably even decade, but we need to get the trillions down to billions, then millions and so on. I think what he says that people relate with the most, including me, is that the American people just want more of our own money in our own pockets. I think anyone would tell you they would rather get the money they earn, than to give it away. Around his time, the debt was going back down so the taxes could decrease again, so I believe that is a reason he believed the way he did.

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The 3 Bros of Taxes

by [Baylee Crowson](#) - Saturday, April 27, 2019, 11:25 PM

I for one, was a bit lost with the video. I think it really didn't help or hurt my knowledge. I understand that there are different tax brackets for different annual wages which makes sense to an extent. The people who make higher annual wages are able to pay those taxes to make the revenue the government wants, while the lower brackets charge people less for taxes because they make less money. It would break the bank for the people in the lowest bracket to have to pay the same amount of the highest bracket. It wouldn't be a realistic thing to do if you also expected that individual to provide for themselves completely or a whole family.

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My Own Tax Article

by [Baylee Crowson](#) - Saturday, April 27, 2019, 11:44 PM

I choose an article about the national debt deficit rising to \$22 trillion by NPR. They seem to have a bit of a democratic view. "The U.S. hit the new height despite Trump's promises on the campaign trail that he would reduce America's debt load" is a quote from that article. I think that shows how they think Trump made an unattainable promise. They show he made a promise to help and has only showed that he hasn't kept it yet.

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