

## ***Congress' New Tax Overhaul***

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We don't get something for nothing.

The new tax plan will give taxpayers about \$100 billion in personal income tax breaks. However, to stay "revenue-neutral" and not exacerbate the horrendous deficit, the plan will collect about \$100 billion more from businesses.

What this means for the average taxpayer is clear, although rarely mentioned in even "complete" analyses: What we gain in lower income taxes we'll lose in higher prices, as businesses simply pass on their higher taxes to us, the consumers. The much ballyhooed increased progressivity of the income tax, with closed loopholes, hopefully, more than making up for lowered rates, will be offset by the much less ballyhooed increased regressivity of business taxes, virtual "value-added" sales taxes.

This ultimately regressive effect of simplistic business taxes was once even pointed out by President Reagan, who was, unfortunately, criticized by those righteously indignant over huge, profitable corporations paying little or no taxes.

If we want to stop huge, profitable corporations from paying little or no taxes, then we must enact legislation preventing them from passing on to consumers their added taxes; and also, we

must plug those loopholes that allow especially their highest paid executives to hide much of their *real* income from progressive income taxes —a corporation is simply a group of individuals.

Although the polls show the average citizen finds progressive taxes wise and fair but regressive taxes unwise and unfair, the inevitable costs of more regressive business taxes go largely unmentioned; but the lump-sum rewards of, hopefully, more progressive income taxes go widely heralded. But even as the politicians pat themselves on the back come election time for their "monumental" (read, "much ado about nothing") tax overhaul, we must never forget that *we don't get something for nothing!*