

## Make taxes visible to voters

### 'Painless' taxation makes big government possible

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If conservatives regain power at the federal level, there is a single, revolutionary idea they should implement: the taxpayer savings account (TSA). A TSA would be established for every taxpayer, overseen by the government, into which future tax payments would be deposited. The TSA would be a substitute for the current withholding and quarterly estimated tax payment system.

The current withholding system distorts individual perception of tax liability. Your money is automatically whisked away from each paycheck to government coffers, and most folks receive their "take-home" pay. Then, when their final tax liability is computed, most Americans rejoice when they receive their tax "refund," which is simply the excess of taxes they paid throughout the year. Of course, they can envision their tax liability from their return. But the psychological impact is distorted by the "refund" process.

Imagine a country where each taxpayer has a TSA. It could earn a modest return. The taxpayer could see that the TSA contains his money. Then, when his tax liability is computed, he would have to transfer the bulk of that money to the government instead of receiving a refund. The psychological emphasis would shift dramatically from what he gets back from the government to what the government costs him.

Big government is predicated on obfuscating the cost of government. Jean-Baptiste Colbert, the French minister of finance in the late 1700s, famously quipped: "The art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least possible amount of hissing." And so it is.

The stealthier the tax, the more insidious it is. This is the single most important reason, for example, to oppose a national value-added tax. It slithers throughout the economy.

The current tax withholding and quarterly tax payment system was enacted as a "temporary" war measure during World War II. But big-government types realized they had implemented a great plucking tool. It made paying taxes less painful. The pain of a single, large transfer of money was ameliorated by plucking on the installment plan. It dulls the average taxpayer to the cost of government.

I applaud pro-growth conservatives who advocate lower taxes, lower spending, individual control of health care, etc. But first and foremost, I want a tax system in which the geese hiss loud and often.

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