

END ANTI-HUMAN INCOME TAXES IN AMERICA

By Woodrow Wilcox

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America's income tax system is anti-human. That is a strong statement and here is the strong reasoning to support it. Notice that I'm not claiming that the system or certain portions of the law are unconstitutional. Those are other matters for other articles. My point is that America's income tax system is mathematically unfair to humans—and especially to working people.

Are you one of America's "working people"? Those are people who trade their time and labor for a paycheck. Maybe you have thought to yourself, "Something is wrong here. I can't seem to stretch my paycheck to cover all the expenses that I need to pay just to survive and live decently!" Maybe you have thought to yourself, "I could live better if the federal, state, and local governments didn't take so much money from my paycheck." Guess what! You are not alone. Millions of Americans have trouble meeting the expenses which they need to pay just to live a decent life. There is a reason for this. The income tax system is unfair. The income tax system in America today is anti-human.

What do I mean by "anti-human"? I mean that the income tax system is heavily tilted in favor of corporations, banks, businesses, trusts, and other legal fiction entities. Legal fiction entities are things that are created and recognized by law as "beings" that are separate from people. America's income tax system gives an unfair advantage to these legal fiction entities while loading a disproportionately large share of the tax burden onto working people.

This is wrong. This is unfair.

It is as unfair as special rules in a football game in which one team gets only four downs to make ten yards, but the other team gets twenty downs to achieve ten yards. It is as unfair as special rules in a baseball game in which one team gets three outs per inning, but the other team gets twelve outs per inning. **The players with the less favorable rules tend to lose because the game rules are unfairly “rigged” against them.** In the same way, the income tax system is “rigged” to favor investors and legal fiction entities and to disfavor employees and small business owners.

What am I talking about? I’m talking about “EXISTENCE EXPENSES.” Every business, corporation, bank, and other legal fiction entity gets to obtain money in business, but before the profit or taxes are calculated, these entities get to subtract ALL THE “EXISTENCE EXPENSES”. In other words, every expense which the business, corporation, trust or other legal fiction entity had during the year is subtracted from all the money which it obtained during the year--before the profit or income tax levy is calculated. All the expenses for renting an office, telephone usage, all utilities, and transportation expenses are deductible. All equipment expenses are deductible immediately or over a period of time. The purchase of real estate is deductible over a period of time. All fees paid to a lawyer, an accountant, a financial advisor, or other professional or business service are deductible. All interest on business or investment loans is deductible, but interest on consumer loans or credit is not deductible.

But, America’s income tax systems—federal, state, and local—do not allow humans to subtract all of their “EXISTENCE EXPENSES” before calculating their tax burden.

Think about it. Don’t you have “EXISTENCE EXPENSES”, too? Doesn’t it cost you money just to exist? Don’t you need food, clothing, shelter, transportation,

medical attention, and other things just to exist? If the legal fiction entities like businesses, corporations, banks, and trusts can subtract ALL “EXISTENCE EXPENSES”, why shouldn’t humans be allowed to subtract all “EXISTENCE EXPENSES” before calculating any income tax burden?

Under present income tax laws, working people are taxed on their gross receipts (wages, salaries, commissions, and tips), but businesses and corporations are not taxed on their gross receipts. Businesses and corporations get to subtract their existence expenses and pay an income tax on what is left after the existence expenses are subtracted.

There is an ANTI—HUMAN prejudice in the income tax laws.

- If you earn wages, salaries, commissions, or tips, then income taxes, social security taxes, Medicare taxes, and state and local income taxes are taken from your paycheck before you ever get it. If you have nothing but investment income, then none of these taxes are removed from the checks that you receive, and you can deduct many expenses before ever determining if a tax is owed.
- If a corporation buys a computer, it’s deductible. But, if you buy a computer to help your child with school work, it’s not deductible.
- If a corporation buys a vehicle to transport the officers, directors, or employees of the corporation, that’s deductible. But, if you buy a vehicle to go to work, buy groceries, take the children to school, or take food to a sick relative or friend, that’s not deductible.
- If a big “C” corporation spends money to repair its business building, that’s deductible. But, if you spend money to repair a human body after an accident or illness, most of that expense is not deductible.

- If two corporations trade properties worth over a million dollars per property, that's not a taxable event. It is a Section 1031 exchange on which there is no income recognized or taxed. But, if a plumber and a carpenter trade their services with each other to repair their homes for the safety and comfort of their families, that's a taxable exchange and both the plumber and the carpenter must report income and pay taxes on that.
- If a business buys a small gift for a business associate or client, that's deductible. But, if you buy a small gift to give to your child, that's not deductible.
- If a business sends an officer, director, or employee on a business trip, that's deductible. But, if you pay to send a relative to a warmer climate during the winter for health reasons, that's not deductible.
- If a company buys gas and oil for a company car, it's deductible. But, if you buy gas and oil for your family car, it's not deductible.
- If a big "C" corporation spends money to send its officers, directors, or employees to Beverly Hills, California or Honolulu, Hawaii for an educational business seminar, that's deductible for the big "C" corporation. But, if you spend money to take your children to the Gettysburg battle area or the Smithsonian Institution to enhance their education, that's not deductible.
- If a company buys dinner for some employees to celebrate the reaching of a sales goal, that's deductible. But, if you buy a dinner to acknowledge a special achievement by your child, your parent, or a friend, that's not deductible.
- If a corporation entertains out-of-town business guests with a concert or sports event, it's deductible. But, if you entertain out-of-town relatives or friends with a concert or sports event, it's not deductible.

Are you starting to understand my point that America's income tax systems—both state and federal—are anti-human and favor legal fiction entities like corporations over humans?

Federal and state income tax laws allow a ridiculous, unrealistic, small amount of tax deductions or exemptions for working people and their dependents. Except for these small deductions or exemptions, America's working people are being taxed on their gross receipts with little or no reduction for their existence expenses. I believe that no business in America could survive if it had to pay taxes on all its gross receipts after subtracting the same standard deductions or exemptions that are allowed to America's working people. It is no wonder that many working Americans struggle financially.

Allowing legal fiction entities to deduct all their "EXISTENCE EXPENSES", but not allowing humans to subtract all their "EXISTENCE EXPENSES", gives the businesses, corporations, banks, and trusts an enormous mathematical advantage over humans. No wonder many public interest groups in America have warned for years that more and more of the nation's wealth is being concentrated in the hands of the wealthy elite of our country. Why? How? It's simple. The wealthy special interests groups which control many of America's corporations, banks, businesses, and trusts have lobbied the federal, state, and local governments to write income tax laws which allow the legal fiction entities to deduct all "EXISTENCE EXPENSES" while denying the same right for America's working people.

But the system is really anti-human, also. Think about it. If a business, corporation, trust or other legal fiction entity owns animals as part of a ranch, farm, or other enterprise, it can deduct all expenses incurred for feeding, sheltering, and caring for the animals. It can even deduct all the expenses for veterinary services—medical attention—for

an animal. But, America's income tax laws don't let humans deduct all the expenses—including medical expenses—for a human child.

If a big "C" corporation provides medical insurance for an employee and/or dependents, then the insurance expense is deductible for the big "C" corporation. But, for decades, if you were a working person (including small business owners) who had to pay for medical insurance or other medical expenses, most or all of your medical insurance and medical expenses were not deductible.

In other words, America's income tax system is anti-human and it has been anti-human for a long time. It gives enormous mathematical advantages to legal fiction entities – corporations, businesses, trusts, limited liability companies, and similar organizations. The income tax system especially favors investors and big "C" corporations while it disfavors small business owners and employees. The irony is that legal fiction entities don't really exist. We just pretend that they exist through our various laws. But, humans really do exist! Humans really do have "EXISTENCE EXPENSES" which must be met, or humans suffer and can not exist. Right now, there is an unfair mathematical prejudice against humans and for legal fiction entities written into the income tax laws. We must change that! We must END ANTI-HUMAN INCOME TAXES IN AMERICA!

No wonder more and more of America's wealth seems to accumulate to those who own or control America's corporations, banks, trusts, businesses and other legal fiction entities. Isn't it time to change the rules to make things much more fair for America's working people—the humans?

It would be nice if working people could deduct all their existence expenses. But, because not many people are excellent bookkeepers, I believe that it would be even better if the system were simplified so that all wages,

salaries, commissions, and tips up to a certain level were free of any income taxes, social security taxes, or Medicare taxes. The amount would need to be high enough so that almost any person in any part of the country could live on the tax exempt amount.

Think about it. How much does it cost you to live – to exist? When you add the costs of food, clothing, shelter, medicine, transportation, real estate taxes, utility costs, and everything else that is needed for a human to exist in today's society, how much money do you need for all that? Does it make any sense that income tax laws allow corporations and other legal fiction entities to deduct all of their existence expenses, but not allow you and other people to deduct human existence expenses? It does not make any sense to me!

At this point in time, early 2006, I would suggest that the first \$60,000 for a single person and the first \$120,000 for a married couple be totally exempt from any federal income tax, social security tax, Medicare tax, or state or local income tax. Also, I believe that \$26,000 should be allowed for every dependant whether a child, an aging parent, or a relative who needs support, protection, and kindness.

Some people will claim that doing what I suggest would ruin our nation's economy. That is false. It won't ruin the economy, but it will change the economy. That change might ruin the economy of certain wealthy elite special interest groups, but it won't hurt our national economy. In fact, I believe that it would improve our national economy because it will improve the lives of every working American—the humans—like you and me.

Exempting from federal income taxes, social security taxes, Medicare taxes, and state and local income taxes a realistic amount which will let working people have more money to meet their "EXISTENCE EXPENSES" will be only

a first step in the start of correcting an income tax system which has been unfair and anti-human for decades.

THE BENEFITS:

There are numerous benefits for recognizing that humans have existence expenses and exempting realistic amounts of wages, salaries, commissions, and tips to let people have the money that they need for their EXISTENCE EXPENSES without paying taxes. Here are just a few of the benefits that could be achieved.

- Many working people will enjoy a sudden increase in their paychecks. With the increase, they can pay debts so that the stress in their lives will be reduced.
- Many working people would enjoy more time with their family and friends. Some people who work extra jobs now, could work fewer hours because they would get all their paycheck instead of just part of it after taxes are removed (as what happens now).
- Many working people would enjoy stronger marriages. Income taxes on working people increased dramatically at the beginning of World War Two. At the time, federal politicians claimed that the big tax increase was only temporary to support the war effort. But, taxes on working people have been high ever since. A few years after the dramatic increase of income taxes on working people, the divorce rate started to climb. In many studies, the primary reason for divorce is financial difficulty. If we reduce the financial problems that married working people have, maybe we can reduce the tragedy of divorce and broken families. I believe that there is a direct and proximate causal connection between high taxes on working people and high divorce rates.

- Many African Americans would have less stress in their lives. Stress and high blood pressure are more widespread among African Americans than other groups of American society. Income tax laws do not specifically disfavor African Americans. But, income tax laws do disfavor renters and working people. A large percentage of African Americans are renters and workers. Stress damages everyone's health, thinking, and relationships. Let's make life less stressful for everyone by ending anti-human income taxes in America. This would especially benefit most African Americans.
- Many working people will enjoy having more money to give to their favorite charities. The United States and Canada are the main sources of personally made charitable contributions in the world. If working people have less tax burden and more money, they can give more. Imagine all the contributions to worthy charitable organizations that might occur if the heavy and unfair tax burden on working people is lifted!
- Charities, churches, and non-profit organizations will not have to pay their employees so much money in order to allow the employees to pay federal income taxes, social security taxes, Medicare taxes, and state and local income taxes. In other words, this will help to stretch the budget of every non-profit organization.
- State and local taxes could be reduced because the State and local governments would not need to pay employees the extra money needed for the employees to pay federal income taxes, social security taxes, Medicare taxes, and state and local income taxes.
- Many unborn babies would be saved from abortion because the mothers or parents would not be able to claim that they can not afford to have babies.

Let's remove the "can't afford it" excuse for abortions.

CONCLUSION

I hope that both American political leaders, and then foreign political leaders, will realize that income tax laws are bad laws when they take money from working people that the working people need for their existence expenses. If an American political candidate or political leader is against changing income tax laws to let people keep money that they need for their existence expenses, then consider that political candidate or political leader to be very prejudiced for investors and legal fiction entities and very prejudiced against employees and small business owners – the working people. Remember that when you vote!

HELP YOURSELF! TAKE ACTION!

Here is what you can do to

END ANTI-HUMAN INCOME TAXES IN AMERICA:

1. Contact the President, your United States Senators, your Congressman, your governor, and your state legislators. Tell them that you want a much larger exemption of wages, salaries, commissions, and tips so that the humans—the working people of America—won't be taxed on money that they need to meet their existence expenses. You might copy this article and attach a note from you or a petition from you and your friends which states that you support the ideas of this article and want the elected official to work to change income tax laws in order to recognize and exempt human existence expenses.
2. Join the mailing list of people interested in this matter. Write or email the author.
3. Contact the author for program interviews or speaking engagements. Here's how:

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