



The Daily Dish

April 15th Edition

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By the end of today, approximately 150 million Americans will have submitted their forms to celebrate Congress's favorite holiday. [AAF has calculated the cost](#) to this annual event. Individuals and businesses will spend 7.7 billion hours filling out a selection of the IRS's 897 possible forms at a cost of \$170.4 billion. "To put IRS's 7.7 billion hours in perspective, it would take more than 3.8 million Americans (more than Oklahoma's population) working 2,000 hours annually to complete these requirements."

The real issue stands that Washington does not have a revenue problem, it has a spending problem. Senator Coburn's annual "[Wastebook](#)" highlights some of the most egregious programs that we fund with tax dollars. This includes nearly \$1 million since 2010 to "explore the fascinating, often contradictory origins and influences of popular romance as told in novels, films, comics, advice books, songs, and internet fan fiction..."

It is a simple formula coming from the White House, expensive programs plus a budget with no aim on reigning in the deficit can only equal higher taxes. But, it isn't all bad today, take advantage of some "[Tax Day Freebies](#)" (just [don't forget to pay the taxes](#) on them when you are done).

Eakinomics: Tax Day

Will Rogers once said "The income tax has made more liars out of the American people than golf has," which is probably why the Masters and tax day fall in the same month. But it is an important reminder that the U.S. still relies to a great degree on a system of voluntary reporting of taxes. Yes, there is withholding and an increasing number of information reports (e.g., W-2 forms, 1099 forms, and so forth) but in the end Americans report and pay their taxes. For such a system to survive it is imperative that it be perceived as fair and providing good value. That is, people should trust that everyone is paying their fair share of taxes, and that those taxes are just high enough to pay for valued government services.

Both beliefs are in doubt at the moment. Americans increasingly question the fairness of the tax system, which is a core reason to support an overhaul and modernization of the type that was [proposed](#) by Ways and Means Chairman David Camp. Ditching the archaic, [burdensome](#) U.S. system in favor of one that supports [economic growth](#) and international competitiveness, while distributing the tax burden fairly is an unfinished item on the national agenda.

Even with tax reform, government is growing at a rate that will force taxes ever higher. In 2014, the Congressional Budget Office (CBO) projects that taxes will amount to 17.5 percent of every U.S. dollar produced (Gross Domestic Product, or GDP). By 2024, this will rise to 18.4 percent. Unfortunately spending is currently 20.5 percent and is on track to rise to 21.4 percent. That is, in 10 years the government will outgrow its revenue to the tune of \$1.1 trillion dollars.

The driving force under the growth of government is the social safety net, particularly the federal health programs of Medicare, Medicaid, and the Affordable Care Act (aka Obamacare). The existence of these programs is a tribute to the basic fairness of Americans and their willingness to support their fellow citizens in

times of need. But in the absence of reforms, these programs will fall under their financial weight and undercut the same sense of fairness that spawned them to begin with. Taxes will be unfairly high. Spending will be unfairly distributed.

Tax Day is a good day to recall the observation of Robert A. Heinlein on government overreach: “There is no worse tyranny than to force a man to pay for what he does not want merely because you think it would be good for him.”