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Republicans hold the line against paying any cost of war.

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THE NOTION that a country at war should ask its citizens to bear the burden of higher taxes is now viewed in many quarters as quaint, if not ludicrous. In fact, rather than shared sacrifice, the watchword since the inception of the war in Iraq has been shared bounty: For the first time in U.S. history, taxes have been cut during wartime. The House of Representatives, to its credit, voted to pay for a small slice of war costs -- increased educational benefits for returning veterans -- with a small tax on the wealthiest Americans. Under the House measure, the tax rate for individuals earning more than \$500,000 annually, or couples earning more than \$1 million, would have risen by one-half of one percentage point.

Of course, this was anathema to congressional Republicans and the Bush administration. "A tax increase would be harmful to jobs and economic growth, and the President has been clear that tax increases are unacceptable," the administration said in its statement on the measure. "If the bill presented to the President contains a tax increase, he will veto it." It was also a non-starter in the Senate, where Democrats didn't even bother to press the issue when they took up the war spending bill. The likelihood is that the House will accede to the Senate's more spendthrift ways.

But as the costs of war mount, it's worth considering the arguments against paying for even a piece of them. Harmful to jobs and economic growth? Those who are lucky enough to have been asked to pay this extra tax constitute a minuscule fraction of American taxpayers, three-tenths of 1 percent. They would have had to ante up, on average, an additional \$8,770 in taxes, according to calculations by Citizens for Tax Justice. As a result of the Bush tax cuts, this group has reaped an average savings of \$126,690. Hard to see how asking these folks to give just a smidgen of that back, to finance the educations of those who might otherwise have no way of joining their ranks, would cripple the economy.

One particularly specious argument against this provision was that it would hammer small businesses that are the engine of economic growth, since many small businesses pay taxes at the individual income tax rate. House Republicans, inveighing against the measure, contended that it was a massive tax increase on small businesses because 82 percent of returns in this bracket contain small-business income.

As the [Brookings Institution](#)'s William G. Gale showed in dispensing with this claim several years ago, only 1.3 percent of taxpayers with small-business income fell into the group taxed at the top marginal rate of 35 percent, which applies to incomes of more than \$357,700. Furthermore, small-business earnings accounted for only one-third of income for taxpayers in that bracket. Especially at the highest income levels, these are not necessarily small-business owners but wealthy individuals who may do some consulting or real estate investing on the side.

These sorts of ad hoc tax hikes to finance ad hoc costs are not the optimal way to construct tax policy. It would be better to fashion a system that would bring in enough revenue to pay for the demands of government, accompanied by debates about how the tax burden should be distributed and how to prioritize needs. In addition, soaking the extremely rich cannot be the answer to every financing dilemma. At some point, tax rates, whether on small-business owners or ordinary individuals, can become so burdensome as to be counterproductive. But the country is not at that point. It is a sad commentary that even the smallest tax increase, even for the noblest purpose, is now automatic veto bait.

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