

Fair Taxes for Virginia

A second perspective on principles for taxation

Here is a second offering to consider the principles for tax reform in Virginia. The first principle was to tax the fixed and finite land, air, water based on how these 'finitudes' are used. The second principle for taxing incomes, profits, purchases, inheritance, fees and anything else under the sun should be the sum of fairness, appropriateness, and minimalism.

Fairness is for both the Sovereign of the Commonwealth - each individual citizen - and the State. The Sovereign and the State have an unwritten, unsigned, binding social contract. Each individual citizen Sovereign gives some authority and power to the State to make rules and acquire taxes, execute administration, and judge disputes and crimes. The grant of authority and power is limited and revocable. Likewise, the State serves and protects the individual equitably with full faith and trust for honesty under the Rule of Law.

Appropriateness, like beauty in the eye of the beholder, and generally means fit the tax to the purpose of the tax revenue. For example users who profit from a taxable activity should pay the most. So, most of the revenue for transportation should come for taxes, tolls and fees on vehicles, licenses and fuel – all things related to the transportation infrastructure and services the Commonwealth provides.

Minimalism means, simply, as little money taken for as limited government as possible. The purpose of minimalism is twofold. First, the power to tax is a limit on freedom. Limiting taxes expands freedom. Second, capital growth and the increase of wealth for the common good is about four or five dollars created from each dollar invested in the economy. The return of each dollar taken by government, even if it is spent on public works, is under 25 cents to the economy. The golden goose of capitalism shouldn't be cooked spending on Public Goods.

A low, flat income tax is the fair and proper way to tax wages. The jealous and wrathful God of the Holy Bible demanded only a flat tithe. The secular state deserves no more. The Commonwealth should not use Karl Marx's progressive tax structure to unfairly punish one class of voters with discrimination. All income from all sources should be taxed once and only once.

Abolish inheritance taxes. Death taxes are socialist retribution against the dead and their bereaved families.

Reduce sales taxes, if possible, over time. If a citizen's money is taxed when it comes into the family, why should it be taxed as it goes out? Reducing consumption reduces the economy and the general wealth.

Tax services and products equally, as little as possible, without the myriad of exemptions that serve special interests and breed bad politics.

Create 'communities' in legal standing of family, faith, work and neighbors. Within

these communities transfers of money and pooling of money in savings for health, senior care, education and legal services should not be taxed. In fact, as practicable, tax credits should be created. Every dollar shared by an extended family for a health savings account is multiple dollars the business corporations, state and federal governments will not have to pay for indigent health care.

Create Virginia 'Trust' or 'Commonweal' accounts for every Virginian, everyone, after a year of legal residency. These accounts would be for health, education, un-employment, legal and retirement needs. They would work like IRA/401k hybrids – on steroids of imagination for broader contributions and better savings. The devil hides in the details of rules of deposits and dispersals, but in our Information Age it isn't hard to figure out a portable account number (like the former SSN) with resources parked in Virginia financial institutions for life. The Virginia 'communities' of common interests cited above could contribute as well as the individual. Businesses might get tax benefits for profit-sharing in these accounts. The Commonwealth might make donations from the General Fund for the poorest of Virginians, as possible, from birth to help them help themselves with life long savings.

The sources of revenue between the Commonwealth and 134 Cities and Counties should shift. A per cent of income tax should go directly to Cities and Counties.

The outrageous tax increases of 2004 were not the 'reform' or 'investments' the politicians of both parties are spinning. The cause of revenue imbalance in 02 – Medicaid – hasn't been addressed. Yet, the huge surplus will be spent and more taxes urged.

It's up to you, Voter, to make the candidates for state-wide office and the House of Delegates answer the real issues on taxing – taxing principles, not partisan spin.

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