

It's Tax Time Again for Uncle Sam

HISTORIANS who have studied the world's economies tell us that drastic tax-cutting often has been a stimulant for production and prosperity.

That probably won't happen here because our politicians are steeped in the philosophy of taxing producers and redistributing their incomes to non-producers, who vote to reelect the distributors.

The American Revolution was essentially a revolt against high taxes. The French Revolution of 1789 also was caused, in large measure, by crushing taxes.

When the British Parliament abolished the income tax in 1815 the decades that followed recorded the most rapid economic development in British history. By 1860 she was producing half of the world's coal and manufactured goods.

Japan has become a major industrial power and one of the world's richest nations since World War II. Between 1950 and 1974 Japan cut tax rates by roughly 11 per cent annually and the gross national prod-

uct skyrocketed.

Tax cuts have been made in the United States, too, but because of inflation and higher income tax brackets we haven't derived much of a sensation of prosperity from the small slices.

On the contrary, citizens may get the feeling that Uncle Sam, wearing the IRS badge, is breathing down their necks and demanding a closer look at their pocketbooks. The IRS is after tax cheaters, it says, but any taxpayer may become a suspect.

A sore spot with taxpayers is the term used in Washington to describe deductions, tax credits and allowances authorized by law. These are called "tax subsidies," implying that the government is entitled to whatever we earn and is being generous by allowing us to keep or give away part of it.

It is possible to stand up against the IRS and prove it has made the error but a recent report indicates that only one in five who tried it suc-

ceeded. Others had to dig up more money.

The IRS computer system isn't fast and that costs taxpayers more money. A common occurrence is for the IRS (and also the Oklahoma Tax Commission) to bill a taxpayer for a mathematical mistake or other error on a return filed years earlier.

The amount of the assessment may not be large but how the interest adds up! Unless a taxpayer can locate records to prove the tax collectors' computer is wrong, he's stuck. Every taxpayer should keep all cancelled checks, receipts and other records. The IRS or OTC could come along in 1989 and claim you didn't pay it all in 1984.

Tax collectors are under pressure to bring in more cash to help support the kind of politics we're accustomed to.

Will Rogers once said we should be glad we aren't getting all the government we're paying for. We may be coming close to doing that now — not always good government but lots of it.