Let's Think About Taxes and Public Services

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Do you think of taxes as being bad—as evil things? If so, they can be frightening for, like air, they are everywhere.

Do you think of taxes as being good—as something beneficial? If so, they can be a source of comfort and satisfaction for again, like air, their effects are everywhere.

Do you think of taxes as being a necessary evil—or as a mixture of good and bad with perhaps possibilities for either good or bad? Few things are all good and no bad. Consider air again. It generally is regarded as unquestionably good; but, whipped into a tornado and out of control, air can be very damaging.

How should we think about taxes? How good are they? How bad are they? Our thoughts and feelings, our concerns and fears about taxes stem from a mixture of facts and beliefs.

What are the facts?

• **Taxes are increasing.** In 1945, local levies on Oregon properties totaled about $43 million. By 1966, the total exceeded $300 million, or some seven times as much as 20 years ago. In 1945, Oregon's personal income tax yielded about $15 million. Last year the total was $147 million, nearly 10 times as much in dollars and 3 times as much in percent of income. The 1966 tax equaled 2.7% of personal income, compared to 0.9% in 1945.

In 20 years, the total of all taxes collected by state and local governments in Oregon has jumped from $109 million to about $615 million. This averages more than $317 per Oregonian. As compared to $87 two decades back, Oregon taxes are increasing faster than population.

Meanwhile nationally, total federal taxes have slightly more than doubled. Taxes now equal around 484 per person compared to 293 at the end of World War II. Even with the tax of our national product, they equal about 14% now and 19% then.

• **Taxes must be paid.** They are forced contributions, or expenditures. Failure to pay taxes means loss of property, fines or going to jail. As Americans, we dislike this imposition on our individual freedom of choice on how we use our money.

In addition to these facts, many beliefs about taxes are commonly expressed.

What beliefs cause concern?

Whether right or wrong, these are some of the widely held beliefs that affect what we think, say, and do about taxes:

• **Taxes are not equitable.** Taxes are not shared equally or fairly. Some people pay more than others. Some must contribute a larger share of their income than others. Some have tiny income left after taxes are paid. Some classes of property are wholly exempt, or receive other special treatments that reduce their share of the property tax. Some people pay little tax and receive much in the way of public assistance and service. Some pay much tax and receive little benefit.

• **Taxes are not necessary.** Tax laws and procedures are so complicated that they are difficult to understand. They need to be simplified. Each person's "fair share" under the law is difficult to determine. Property is difficult to value and assess. Income taxes require many records and much figuring. Sales taxes are a nuisance.

• **Taxes are wasted and squandered.** Examples of misuse of public funds attract a great deal of attention and leave taxpayers with misgivings. Evidences of inefficiencies, errors in judgment, differences in points of view, and the like give room for many doubts and fears.

This is some of the mixture of facts, beliefs, and fears that influence our feelings about taxes. Do you have other concerns?
Why do we have taxes?

Taxes provide money for public services to help meet human needs, wants, and expectations. These are needs and wants that the voters and their representatives judge can be supplied through coordinated and controlled group effort better than through individual or private effort. These group or government efforts are specifically and broadly aimed at development and protection of people and property. Included in the public services taxes help to provide are:

- Public education. Beginning and continuing education is available for youth and adults who wish to learn, at little or no direct cost to them. This includes conventional grade schools, high schools, and universities as well as community colleges, vocational schools, research centers, adult classes, and a wide variety of less formal educational activity such as Cooperative Extension work.

- Public transportation. Highways, roads, streets, buses, airports, harbors, and the like are constructed and maintained by public agencies. Rates and services of privately managed transportation companies are regulated.

- Public health and sanitation. Services in this category include protection against communicable disease through immunization or quarantine at little or no cost to the recipient; inspection and regulation of food and drugs; provision of water supply and waste disposal systems; pollution control; and hospital and invalid care.

- Public welfare. Special assistance is provided for people who are disabled, disadvantaged, or displaced and for other people who are unable to provide minimum levels of living.

- Public recreation. Provisions are made for developing and maintaining parks, campgrounds, hunting and fishing resources, places of unusual natural beauty, and the like.

- Protection of property. Property is protected from damage by vandalism, theft, fire, flood, or encroachment of undesirable uses.

- Protection of human rights and liberties. This is accomplished through the granting of powers and funds for the police, military, and court functions; probably included in this category are foreign aid, atomic research, and space exploration.

- Resource conservation and development. Public power generation, irrigation, flood control, research, erosion control, soil improvements, forest management, and the like are examples of services in this section.

- Regulation and promotion of economic growth. This includes trade and commerce. As time goes by, taxes and fiscal policies are being modified and designed more and more to stabilize and increase employment, incomes, and investments in the private as well as public parts of our economy.

What would our way of life be like without these public services? Would we be better or worse off? Are the services worth what they cost? Do we need to change the mix—have more of some, less of others? These are among questions to ponder as we think about what is good and what is bad about taxes.

What can we do about public services and taxes?

There are many things we can do as individuals and as groups about what we have in the way of public services and taxes, although none are easy. Among them are:

- Be informed. Know what we have, how we obtained the tax system we have, and how the system works. Do you know how your property is appraised and assessed for property tax purposes? Do you know why it is assessed, who is responsible, and what you can do about the value placed on it? Do you know what property is exempt and why?

- Act wisely. Act from information, not from fear. With knowledge of what we have and why, we may become better satisfied and more inclined to accept what we have. Or we may be able to identify problems and work for constructive changes more effectively.

- Identify alternatives. Once you have identified alternatives to our tax system, study the likely consequences.

- Work with others. Look for other people who feel the same way you do about public services and taxes. Determine the position to be taken.

- Plan strategy. Know who influences decisions and when and where decisions are made.

- Take action. Express your viewpoint. Vote. Discuss the situation with budgetmakers. Be willing to compromise. Be patient but persistent.