

Who Hates the FairTax? Part III

We've discussed folks who don't support the FairTax because they know little of its benefits, or believed unfounded rumors concerning its effects on the poor. We've also explained how some businesses dislike the idea of the FairTax because it would allow consumers to escape their debt/credit traps, and reduce corporate profits.

There is another group that opposes the FairTax, but for a very cynical, self-serving, reason: Political Power.

Many politicians hate the very thought of the FairTax because they are addicted to the power they wield through manipulation of our current income tax system, and they recognize the threat posed by the FairTax in restricting that power.

In 1789, Daniel Webster argued in a case before the Supreme Court that "An unlimited power to tax involves, necessarily, a power to destroy". Chief Justice John Marshall concurred in rendering his opinion, "That the power to tax involves the power to destroy ... [is] not to be denied"

By deciding who will be subject to tax increases, or who will receive tax breaks, politicians wield tremendous power. And with that power comes campaign contributions (both legal and illegal), special deals (home loans to Senators by Countrywide), enviable perks (private planes and chauffeurs), and personal aggrandizement (Murtha Airport or Robert Byrd all over the state of West Virginia).

But it doesn't stop there. Corrupt politicians have used the tyranny of the tax code to punish political and personal enemies for years. From Nixon using the IRS to investigate people on his enemies list, to the endless IRS audits endured by some on the political right. And companies in some business sectors openly admit to paying quasi-bribes disguised as campaign contributions, or donations to politician's favored causes, in order to avoid being targeted in the next tax bill. Just listen to the current discussions on cap and trade or health care reform to see such skullduggery played out.

Corrupt politicians love pulling the reins of power, and despise the thought of the FairTax limiting their ability to manipulate the tax code.

Next time you hear a politician denigrate the FairTax, or defend the current tax code, ask yourself: Just who is he serving, the public, or himself?