
Subject: Scrap the income tax!

Posted by [Nukelt15](#) on Thu, 26 Aug 2004 01:53:43 GMT

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I'll put it this way...

Would I rather have a 20% sales tax, or a 30%(just a ballpark estimate, not actual data) income tax? I'm not exactly up on my income taxes(I've never had an income, so I've never had to pay them), but as I understand income taxes can total up to over a third of a person's income. A sales tax will only take as much of my money as I are willing to spend on it- the less I buy, the less I pay.

Let's say you want to get a \$22,000 car. Let's just say you get \$30,000 for your annual income. If you have a 30% income tax, you can't buy the car, plain and simple- you're \$2000 short(not counting the sales tax in your state). However, with a 20% sales tax and no income tax at all, the total price of the car is \$26,400- and you still have money left over(\$3,600 to be exact).

Note that I was just giving an example, and did not factor in such things as food, rent, water and electric bills, etc. I believe, however, that the point there should be pretty clear. Unless you spend up a storm and exceed your income, you really DO have more money to work with at the end of the day.

That's just one take on it, of course. I could easily imagine someone blowing more money on sales taxes than they did on income taxes- they get more from each paycheck, so they go and spend themselves stupid. Then again, that's not much different than people who charge up a storm on their no-limit credit cards then forget to pay their bills.

If a larger sales tax ends up being the only tax I ever pay, I'm all for it. I'd happily open up a savings account and shove all the extra money from NOT being taxed into that account to earn interest, gaining even more money in the process.

HOWEVER...

The long term effects of such a change could be either good or bad. Depending on how much people spend, you could either have far more or far less money for social security and other programs. Seeing how much money people are willing to blow(even when they don't have any to begin with), I predict that the effects would not manifest themselves unless something REALLY nasty were to happen- something like a catastrophic stock market crash.
