



FAITH FOR ALL OF LIFE

## Taxing Families

John E. Stoos  
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*So Samuel told all the words of the Lord to the people who asked him for a king. And he said, "This will be the behavior of the king who will reign over you: He will take a tenth of your grain and your vintage, and give it to his officers and servants...He will take a tenth of your sheep. And you will be his servants. And you will cry out in that day because of your king whom you have chosen for yourselves, and the Lord will not hear you in that day."*  
(1 Sam. 8:10-18)

How much did your family pay in taxes last year? No, I don't mean the check that you had to write out after "doing your taxes." And even if you are one of the sharp folks who actually know how much he paid in federal income taxes, that would still not be the complete answer.

My question is, how much of your family income had to go to support the various activities of the federal, state, and local civil governments that serve your community? The truth is that no one knows exactly, but it is certainly much more than most people think.

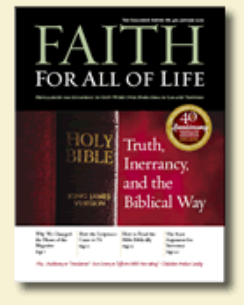
Last year a "compassionate liberal" caller to my radio talk show was quick to defend all the "good" things that civil governments are doing and insisted that people should be more willing to send in a little more to make sure that civil governments had enough money. I quizzed the caller about how much he thought that should be, and he just kept saying that we should be willing to send in "a little more." After a few more attempts, I simply came right out and asked him directly how much of *his* income he thought the civil governments should be taking — 10%? 25%? 50%? He finally relented and said that it should be something like 20%. He was quite shocked when I pointed out that today the federal, state, and local civil governments take more than twice that amount.

It almost makes you want to bring back those evil kings that Samuel described, who were going to take 10%, or some of those evil feudal lords of the Middle Ages I learned about in school, who took 25% of everything the serfs produced on their lands.

### Hidden Taxes

So how did we get to a point where more than 40% of the gross domestic product of our nation goes for taxes to pay for our civil governments? It has been a gradual process, a lot like that much talked about frog that sits in the water as it is slowly heated. Along the way, there have been two schemes that the civil magistrates have used effectively to obfuscate the true growth and current size of civil governments and what it is really costing the poor taxpayers. They are "payroll withholding" to collect income taxes and what I call "hidden" taxes. Combined, these schemes hide the true cost of government and help people think that someone else is paying for all the "good things" that the government now does in addition to the basic functions the civil magistrate should be responsible for in a civil society. These two schemes have been important to the big spenders because if employers actually handed workers a check for the full value of their work and immediately turned right around and asked them to write out a check to the government for over 40% of what they had made, we would suddenly have a country full of "anti-tax conservatives."

The civil magistrates like to use a withholding system for income taxes because we soon get used to what our "take-home" pay is each week or month. I still remember the first check that my youngest son received: He quickly asked, "Who is this FICA guy and why did he get so much of my money?" The young and the innocent have not yet gotten used to the withholding system. They figure if they worked twenty hours at six bucks an hour they are going to have \$120 dollars to spend and they are very



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disappointed when the paycheck comes in at about \$80.

Then there is the problem of hidden taxes. The most serious hidden tax in America today is the Social Security Tax. Currently, you are paying over 15% of roughly the first \$80,000 of your income as a "social security" tax. Now, a sharp liberal will be quick to point out that this is just not true because your employer pays for half of this! Technically he would be right because your employer only deducts about 8% from your paycheck and then he matches this amount and the total is sent into the IRS. That is why this is a hidden tax. You never see the money and you don't realize that your employer could give you a raise if he did not have to give the money to the government. Recently Congress tried to "fix" the Medicare system and now we all pay another 2% on top of the Social Security tax on our entire income.

Samuel was not silent in his day in warning the people of God about how much abusive civil magistrates would waste the people's money and resources. It astounds me that our churches remain so silent while the government takes almost 20% of the income for most of their members to provide for "social security." The better term would be "highway robbery" when you think about what retirement could be like for anyone who saved and invested 20% of his income over forty or fifty years. If we all did this privately we would be a nation of millionaires! In the churches there would be substantially more resources available to spread the gospel, and to care for the needs of the flock and the poor!

The other "hidden taxes" are the ones that we don't think much about or somehow think that others are paying for us, like "business" taxes. For example, if I take \$100 out of what is left of my paycheck and go down to my favorite store to buy a \$100 car stereo, I quickly find out that the \$100 won't get it home. I have to fork over another \$8 for sales tax and that does not come from the sale: it has to come from my income! If you asked the store manager to include this tax in the price of the car stereo, he could agree, but then the sale price would be \$108 not \$100.

In the real world no business actually pays any taxes. Anything the civil governments charge a business is a cost of doing business and must be passed on, just like the sales tax that we can see. So from the time my new car stereo was raw materials in the ground until it is sitting on the store shelf, it has accumulated all sorts of "business" taxes that have been added to the price I must pay from my income.

Thinking about all this has taken a little of the joy out of buying the new car stereo, so it is time to take a long drive and just enjoy my new purchase. But first I pull up to that favorite gas station, and again, it is time to think about taxes. With each gallon pumped, the price here in California includes over thirty-six cents in state and federal taxes plus all the other hidden taxes charged to the drillers, refiners, deliverers, and retailers of the gasoline. Again, it is my income that ultimately pays for these taxes. And the real kicker comes at the register when the owner explains that I also pay that same 8% sales tax on the total price, including the other taxes. Would this be called a tax on a tax?

Back at home, those utility bills now have extra pages just to list all the special taxes that are added. And who can bring themselves to look at the property tax bill? I think you begin to get the picture about just how onerous the tax burden in this country has become.

### **Family Taxes**

There are many in the political realm who want to divide the "social" or "family" issues like abortion and homosexuality from the "economic" issues like taxation. The reality is that all of these issues *are* family issues and must be treated as such. It is easy to see how the issues of abortion and homosexuality are attacks on the integrity of the family, but on the economic side, we must remember that the power to tax is the power to destroy a family. With civil governments taking over 40% of the family income, many have resorted to second incomes to try and make ends meet and most have little to spare for church and charitable work. If the civil governments were once again focused on their proper functions, taking something closer to the Biblical model of 10%, how many of these working moms could be home with their children preventing many of today's problems and building a stronger generation of Christian leaders for tomorrow?

God warned the nation of Israel that if they lost their trust in Him and left His principles of governing to trust in a king like the other nations, they would be oppressed and

heavily taxed. Our founding fathers understood this well. They established the proper role of a limited civil government with numerous checks and balances. A review of the Declaration of Independence and the U.S. Constitution shows how the founders wanted civil government to focus on its proper role of providing for the national defense, safety on our streets, and a just system of commerce where each party is obligated to tell the truth and keep its promises. These same wise men also understood that individuals, families, churches, and community organizations must properly take the responsibility to care for the poor, educate the next generation, and prepare for the challenges of retirement or disabilities. Over the past one hundred years we have shifted these later duties to the civil magistrates, making them obscenely expensive and grossly ineffective. For the sake of our nation and our children the responsibility of these important duties must be restored to the proper institutions; people and pastors and church members should be leading the way.

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*John E. Stoos is a political consultant living in Sacramento California with his wife Linda. They have six children and soon fifteen grandchildren. John is also host of the radio talk show, Dialog on KFIA, AM710 in Sacramento, which airs weekdays from 5-7 pm.*

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