



Speak Out Now

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Every Day is Tax Day for the Working Class

People think of April 15 as Tax Day because that's when federal and state income taxes are generally due. If you get a refund, it's only because you have been paying into the system all year.

Working-class people pay all year long, not just income taxes, but sales taxes on all kinds of things we need. If we own a home, we pay property taxes. If we rent our homes, part of that rent goes to pay the landlord's property taxes. Part of the retail price that we pay for all kinds of things goes to pay for the retailers' and wholesalers' property taxes, and so on.

When you think about it, that's just the beginning. Everyone has essential needs for running a household. But we get taxed on many of those needs. Consider gasoline. As of January 1, 2024, the federal tax plus the average state tax was just over 50 cents on a gallon of gas. You might think that businesses should pay that for their vehicles just like families do. But businesses, including huge corporations with vast fleets of vehicles, can deduct such expenses on their taxes. Working-class households can't do that. So, this is one more way that working people are subsidizing the tax breaks of the corporations and the wealthy.

That is just one example. The non-partisan Institute on Taxation and Economic Policy has reported that at least 55 major U.S.-based corporations paid zero federal taxes on 2020 profits. Meanwhile, corporate tax avoidance schemes cost the U.S. government in the hundreds of billions of dollars. Globally, corporations moved nearly one trillion dollars in profits to tax havens like Hong Kong or the Cayman Islands, putting heavier burdens on ordinary people while depriving us of public services.

That's the corporate side of it. On the personal side, billionaires in the U.S. are about 1.6 trillion dollars (46 percent!) wealthier today than they were in 2020.

Part of the reason is how little they pay in taxes. A 2021 White House study found that the 400 wealthiest billionaire families in the U.S. had an average federal tax rate of 8.2 percent compared to the national average of 13 percent. A Pro Publica analysis found that the 25 wealthiest U.S. citizens paid a tax rate of 3.4 percent, about one-quarter of the national average.

So, the big bosses make their money off of us on the job by paying us less than the value we create for them. Then they make even more off of us by having their politicians, both Democrats and Republicans, manage a tax system that is stacked against us.

In his State of the Union address last month, Biden said, "No billionaire should pay a lower tax rate than a teacher, a sanitation worker, a nurse." This was nothing but an election-year speech. It's the same kind of thing Democrats always say, while Republicans generally argue that lower taxes for the rich will trickle down to mean jobs for workers.

Let's look at the reality. The capitalist system by definition means profiteering by the few at the expense of the many. The government, in the hands of the Democrats or the Republicans, supports that profiteering.

How do they help us? Not by solving the climate crisis or preventing nuclear war. Not by providing good health care, education, nutrition, and housing for all. Not by providing essential infrastructure and services. In fact, while the Francis Scott Key Bridge was crumbling into the Port of Baltimore, the government of Maryland was planning to spend one billion dollars on a new Baltimore jail!

No, this system is not about providing what the majority of people need. It is about making the rich richer. It's much worse than useless. We need to get rid of it.

WHERE YOUR INCOME TAX MONEY REALLY GOES

U.S. FEDERAL BUDGET 2025 FISCAL YEAR

TOTAL OUTLAYS
(FY 2025 FEDERAL FUNDS)
\$5,568 BILLION

MILITARY: 45% AT \$2,529 BILLION

\$1,337 BILLION

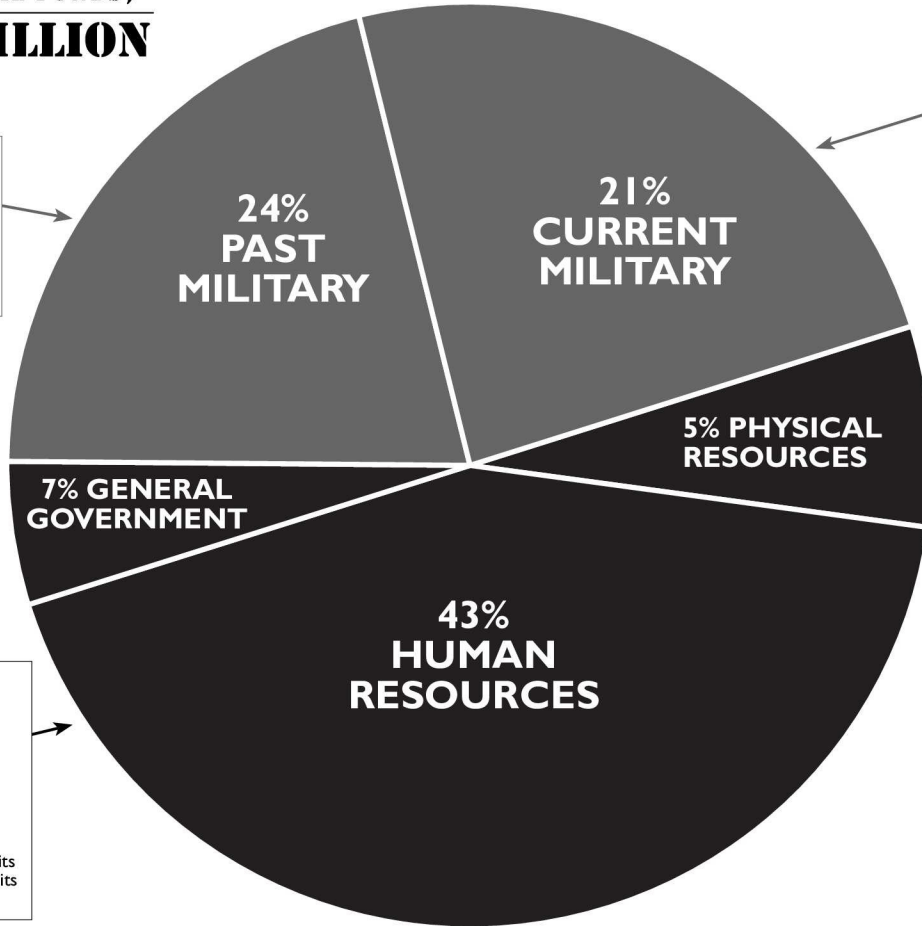
- Veterans' Benefits \$369 B
- Interest on national debt \$968 B (80% est. to be created by military)

\$369 BILLION

- Treasury, incl. 20% interest on debt (\$242 B)
- Govt. personnel
- Justice Dept.
- State Dept. (partial)
- Homeland Sec. (partial)
- Int. Sec. Asst. (partial)
- Judicial
- Legislative

\$2,377 BILLION

- Health & Human Ser.
- Soc. Sec. Admin.
- Education
- Food/Nutrition progs
- HUD
- Labor Dept.
- Earned Inc/Child Credits
- Health Insurance Credits
- Clean energy credits



\$1,191 BILLION

Total DoD \$871 B:

- Personnel \$203 B
- Op. & Maint. \$330 B
- Procurement \$167 B
- Research & Dev. \$139 B
- Construction \$17 B
- Family Housing \$2 B
- Supplements \$13 B

Non-DoD Military:*

- Army Corp. (mil.) \$157 B
- DoE nuke weapons \$32 B
- NASA (50%) \$13 B
- Internl. Security Asst. \$16 B
- Homeland Sec. (mil.) \$67 B
- State Dept. (partial) \$9 B
- Justice/FBI military \$14 B
- Treas/Sec Serv/other \$12 B

*based on coding and the military nature of activities, such as armed border control, DoD space flights

\$294 BILLION

- Agriculture
- Interior
- Transportation
- Homeland Sec. (partial)
- HUD (partial)
- Commerce
- Energy (non-military)
- NASA (50%)
- Environmental Protection
- Nat. Science Fdn.
- Army Corps Eng. (civil)
- FCC and other

NON-MILITARY: 55% AT \$3,039 BILLION

HOW THESE FIGURES WERE DETERMINED

“Current military” includes Dept. of Defense (\$871 billion) and the military portion (\$320 billion) from other departments as noted in current military box above. “Past military” represents veterans’ benefits plus 80% of the interest on the debt.* For further explanation, please go to warresisters.org.

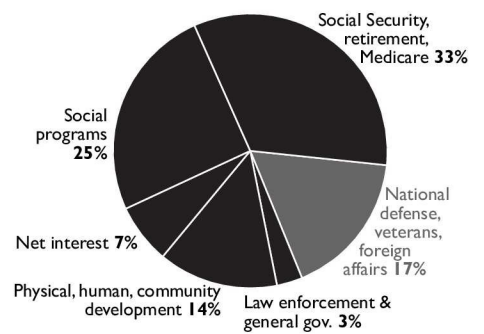
These figures are from the *Analytical Perspectives* book of the *Budget of the United States Government, Fiscal Year 2025*. The figures are Federal funds, which do not include Trust funds — such as Social Security — which are raised and spent separately from income taxes.

What you pay (or don’t pay) by April 15, 2024, goes to the Federal funds portion of the budget. The government practice of combining Trust and Federal funds began during the Vietnam War, thus making the human needs portion of the budget appear larger and the military portion smaller.

**Analysts differ on how much of the debt stems from the military; other groups estimate 50% to 60%. We use 80% because we believe if there had been no military spending, most of the national debt would have been eliminated.*

Government Deception

The pie chart (right) is the government view of the budget. This is a distortion of how our income tax dollars are spent because it includes Trust Funds (e.g., Social Security), and most of the past military spending is not distinguished from nonmilitary spending. For a more accurate representation of how your Federal income tax dollar is really spent, see the large graph.



Source: 1040 Instructions 2023
Federal Outlays for FY 2022