

Talking about Taxes

At their core, debates about taxes are debates about government – its roles, responsibilities, legitimacy and scope, and of course, the level of revenues necessary to accomplish its myriad functions. The overheated anti-tax rhetoric that often infuses these debates transforms government from “we the people” into “them,” the “other,” the taker of our money.ⁱ In fact, this image of “government as thief” is a predominant public perception of taxes. In part, this is a byproduct of the fact that taxes have become so disconnected from their purposes. Many people have great difficulty describing the public programs that their taxes support. Public services are seen as a given, and discussions about taxes and revenues are often treated as if it is only for something extra, unaffordable and unnecessary.

Getting back to Government as “Us” – as our tool for getting things done – is an essential ingredient for winning on taxes. We need to help people see taxes as a means to an end, a necessary part of how we achieve shared goals. If we are to reconnect taxes to their purposes and foster a more productive public conversation about their role we have three core tasks:

- To highlight the unique mission, values and purposes of government – why does it exist and how is it connected to our quality of life and the functioning of our community, state and nation. These are the big picture reasons we need taxes.
- To offer clear and concrete images of the public systems and structures that are essential to meeting that mission and purpose. We must find ways to reawaken an understanding that these things require maintenance and support to function well and remain able to meet new needs and demands; and,
- To elevate a civic, or “citizen” perspective that focuses not on how much government “costs” or how much of my hard earned money is being “taken,” but the role that taxes play in making possible the things we need government to do.

We must recognize two competing truths: that anti-tax sentiments course deeply through the American experience but that people also care about their communities and the common interests that government protects and promotes. The following checklist offers some tips for navigating this difficult terrain in ways that can foster a more productive discussion about taxes and their purposes.

Do

- ☑ **Lead with Common Good Values and Objectives to set up tax conversations.** Don't talk about taxes . . . at least at the beginning of your communication. You need to start by answering the "why" question – why are you talking about taxes and the need for revenue? Tax conversations must be framed by a values discussion about the public good that is at stake to give context to the need for revenue or reform.
- ☑ **Focus on Shared Priorities and Goals for the Future to reconnect Taxes to Purposes.** How can you connect tax proposals to their purpose? Will they help to maintain key public structures upon which our community relies? Will additional revenues allow your state to shape its future? Are there new demands and needs to be met? Assert the essential role that public structures play in meeting shared goals and objectives. Connect the dots between a healthy, functioning community and the underpinning role of well-supported public systems and services.
- ☑ **Use the Pragmatic, Practical Tone of Responsible Management.** How do you describe the current problems with the tax system? Is it an impractical way to raise money? Does the system need to be more balanced? Does it need to be modernized? Does the current situation reveal weaknesses in the fiscal system that need to be repaired and updated? Can you talk about the need to make sure our public revenue systems are adequate to address cyclical economic challenges? Be careful that your tone does not trigger a sense that this is merely a political or partisan fight.

Don't

- ⊗ **Don't make it just about the money.** When our communications focus first on the taxes themselves—the mechanisms for raising revenue, the differing rates, the loopholes, who will pay and who won't, the discussion is narrowed to one that is just about the money, inevitably triggering consumer thinking – "just tell me what it's going to cost me!"
- ⊗ **Don't make it just about taxing "them" – the rich and/or greedy corporations.** Americans believe deeply that wealth and success should not be "punished" and that government already places undue burdens on business. Whatever your specific policy objectives, more pragmatic arguments are needed for why the corporations and the wealthy need to contribute to the support and maintenance of the public systems and structures that underpin their wealth and success.
- ⊗ **Don't rely on self-interest arguments** – "your tax dollars bought you the services you use." These discussions lead to debates about the cost and value of the service – "am I getting my money's worth," "do I even use that service," etc. and reinforce a consumerist perspective. And, in fact, on taxes, average people consistently vote against their own self interest. They support tax cuts they will never receive and oppose tax increases and reforms that would actually benefit them. Focus instead on the common interests and benefits that are gained, reinforce community- and citizen-thinking.

⊗ **Don't depend on "fairness" to make your case.** Fairness is in the eye of the beholder and takes discussions about taxes in unpredictable directions. And, once the discussion is focused on fairness, a consumer lens and self-interest trump. Fairness about taxes is also confusing and hard for the average person to grasp – is it fairness in amount, percentage or distribution? This confusion makes it easy to revert to the default view that all taxes are inherently "unfair."

⊗ **Don't reinforce anti-tax frames:** tax burden, tax relief, tax holiday, hard-earned tax dollars.

A New Tax Conversation

From this:

"Let's be clear, there is no way out of this mess without raising taxes (*it's just about money*). The state needs more revenue to fill its current budget hole (*the "taker" just wants more of my money*). The budget crisis (*yet one more thing government has screwed up*) is leaving thousands of vulnerable families without the services they need (*it's about "those people" – already too dependent on government*) and dedicated public workers are being laid off in droves (*those unions are to blame too*). Part of why we are in the mess is because greedy corporations and the rich are not paying their fair share (*wait, why should we punish those who have worked hard and create the jobs in our state*). It is time to shift the tax burden to those who can afford to pay and give some relief to our hard working families (*right! taxes are bad*)."

To this:

"The future of our state and communities is directly connected to how we deal with the current economic downturn and the budget shortfall it has created (*it's about all of us and our quality of life*). Well-educated students, well-trained workers, a healthy environment and functioning infrastructure are the foundations of a strong economy (*public systems and structures underpin our well-being*). Now more than ever we need our public systems and structures to respond; to provide support and protection to those hardest hit by the economic downturn; and to pave the way for a robust recovery. This is no time to dismantle the tools we need to move our state forward (*achieving our goals – both short and long term – means we need to shore up these public systems*). Any responsible approach to addressing the current budget shortfall requires a hard and balanced look at both how we spend money and how we bring it in (*practical management is needed*). Taxes need to be part of the equation (*they are a means to the ends we seek*)."

"Legitimacy and a steady source of revenue provide the twin foundations of any enduring government."

— Marjorie E. Kornhauser



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ⁱ Kornhauser, Marjorie E., Legitimacy and the Right of Revolution: The Role of Tax Protests and Anti-tax Rhetoric in America. *Buffalo Law Review*, Vol. 50, p. 819, 2002. Available at SSRN: <http://ssrn.com/abstract=379552>