

## TAXING THE WORKING POOR



**One of my biggest gripes with Government** (Federal and State) is that they make a habit of telling us lies. They treat us like we are stupid. Unfortunately, there is a sad percentage of the voters that swallow the lies and give Government good reason to believe they are right in their assumption.

**Example:** Our governments tell us they are going to pay for all their "programs" by "taxing the rich" and by taxing "wealthy corporations".

**FACT:** It is true right now that some 90% of all **Income Taxes** are paid by a very small percentage of upper wage earners and the "rich". Approximately 50% of voters pay no Income Tax at all. It is also a fact that if the government were to tax all the "rich" at 100% of their income it would not fund government for more than a couple of months. After that Government could not go "back for more" because government already took it all (100%). Folks who make that kind of money are not going to continue doing so if you take it all in taxes. They aren't stupid.

**FACT:** Corporations don't pay taxes. Their customers do. If you raise taxes on corporations, they pass the tax increase on to the customer in higher prices. They have to or else go out of business. Lots of folks like to cry out against high corporate management salaries but they are a very small percentage of the corporate overhead and if you want to succeed as a corporation you must attract the best management talent. I am often amused that the same folks who scream about corporate management salaries do not scream equally loudly about multi-million dollar salaries paid to athletes and entertainers.

Back in February of 2019 I wrote an article titled **Little Red Hen Oil Company**. (You can read the article - just type Little Red Hen in the article Search box and click "enter").

In this article I documented that at the time of writing the Federal Government was taxing the consumer at 18.4 cents on every gallon of gasoline purchased and California State Government was taxing the consumer at 58.3 cents a gallon. Oil company profits averaged about 7 cents a gallon, and that 7 cents a gallon profit was subject to Corporate Taxes by the Federal and State Government. Keep in mind working taxpayers, including the working poor are the ones who pay these gasoline taxes. I will let you decide who is the greedy party here.

For purposes of todays article I will use the following example.

**Example:** Proctor & Gamble manufactures many products used in our homes. Proctor & Gamble wholesales their products to their customer, Walmart. Both of these companies are Corporations. When Government raises taxes on these Corporations, in this example Proctor & Gamble, the companies wholesale price goes up and the price increase is passed on to Walmart. Since Walmart is a corporation they also must pay an increased Corporate tax and must raise prices on products they sell to their

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Are You Tired Of Government Lies, Hypocrisy and Corruption?

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customers. A lot of Walmart's customers are average working folks, including the working poor. So, these folks end up paying the "hidden" corporate tax instituted by the government to punish the "greedy" Corporations. Think about that for a minute. Government just taxed you by proxy.

We consumers get upset with Walmart or Safeway or Shell Oil because the products they provide and we need go up in price and we think they are greedy and should be punished when they are really only acting as Tax Collectors for Government.

All this would be more palatable if Government was a good Steward of all this Tax Revenue created but they are not. A very large percentage of this money ends up in the pockets of corrupt officials or their friends and relatives on padded Government payrolls.

It is just another way that Governments uses hidden taxes on "Joe Six-pack" and the "Working Poor" who are struggling to pay the bills and feed families.

This two-faced charade is repeated throughout our economy as Governments at all levels squeezes companies, individuals and business for taxes, fees, licenses, permits and all manner of "protection money". All the while these self-serving politicians, many of whom have never worked at a real job a day in their lives or tried to make a payroll, blame Job Creators and Corporations for being "greedy".

### **Remember the Politicians Creed**

**"If God had not wanted them shorn, He would not have made them sheep."  
The Magnificent Seven - 1960**

**Bandit Calvera -**

Bob Bandy - March 2021