Subject: To Bill Martinelli - Sorry for this duplicate post but I wanted you to see this analogy.
Posted by Mr Vinyl on Fri, 14 Oct 2005 14:03:48 GMT
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I'll leave with this analogy. I think it applies to our conversation and I think it is right on target. Please read it carefully. This has been bounced around on the internet for some time. So forgive me if it's old and you have read it already. Tax Cuts - A Simple Lesson In Economics Let's put tax cuts in terms everyone can understand. Suppose that every day, ten men go out for dinner. The bill for all ten comes to $100. If they paid their bill the way we pay our taxes, it would go something like this: The first four men (the poorest) would pay nothing. The fifth would pay $1. The sixth would pay $3. The seventh $7. The eighth $12. The ninth $18. The tenth man (the richest) would pay $59. So, that's what they decided to do. The ten men ate dinner in the restaurant every day and seemed quite happy with the arrangement, until one day, the owner threw them a curve. "Since you are all such good customers," he said, "I'm going to reduce the cost of your daily meal by $20." So, now dinner for the ten only cost $80. The group still wanted to pay their bill the way we pay our taxes. So, the first four men were unaffected. They would still eat for free. But what about the other six, the paying customers? How could they divvy up the $20 windfall so that everyone would get his 'fair share'? The six men realized that $20 divided by six is $3.33. But if they subtracted that from everybody's share, then the fifth man and the sixth man would each end up being 'PAID' to eat their meal. So, the restaurant owner suggested that it would be fair to reduce each man's bill by roughly the same amount, and he proceeded to work out the amounts each should pay. And so: The fifth man, like the first four, now paid nothing (100% savings). The sixth now paid $2 instead of $3 (33% savings). The seventh now paid $5 instead of $7 (28% savings). The eighth now paid $9 instead of $12 (25% savings). The ninth now paid $14 instead of $18 (22% savings). The tenth now paid $49 instead of $59 (16% savings). Each of the six was better off than before. And the first four continued to eat for free. But once outside the restaurant, the men began to compare their savings. "I only got a dollar out of the $20," declared the sixth man. He pointed to the tenth man "but he got $10!" "Yeah, that's right," exclaimed the fifth man. "I only saved a dollar, too. It's unfair that he got ten times more than me!" "That's true!!" shouted the seventh man. "Why should he get $10 back when I got only $2? The wealthy get all the breaks!" "Wait a minute," yelled the first four men in unison. "We didn't get anything at all. The system exploits the poor!" The nine men surrounded the tenth and beat him up. The next night the tenth man didn't show up for dinner, so the nine sat down and ate without him. But when it came time to pay the bill, they discovered something important. They didn't have enough money between all of them for even half of the bill! And that, boys and girls, journalists and college professors, is how our tax system works. The people who pay the highest taxes get the most benefit from a tax reduction. Tax them too much, attack them for being wealthy, and they just may not show up at the table anymore. There are lots of good restaurants in Europe and the Caribbean. David R. Kamerschen, Ph.D. Distinguished Professor of Economics 536 Brooks Hall University of Georgia

Subject: Re: To Bill Martinelli - Sorry for this duplicate post but I wanted you to see this analogy.
Posted by akhilesh on Fri, 14 Oct 2005 14:31:26 GMT

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I like the post.-akhilesh

Subject: Re: To Bill Martinelli - Sorry for this duplicate post but I wanted you to see this analogy.
Posted by Bill Martinelli on Fri, 14 Oct 2005 14:54:35 GMT
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Mr. VI have not seen that before, intersting analogy thanks for the post. There's always more than one side to the table we sit at (save Arthur)and I think it's important for people to be diverse in thinking. Could there be a perfect world? and if so would we get board with it? I think it would be boring to have no change. So the tax structure will change, some will be happy and some will not. getting time to move on to another topic for me too.

Subject: See, here's the thing
Posted by wunhuanglo on Fri, 14 Oct 2005 15:31:42 GMT
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If you've been duped by replicanspeak then taxes are a "burden" to be "relieved" - a punishment for being successful so that the leaches on society can lay in their hammocks drinking T-Bird all day.But in reality taxes are the dues levied for living in the society - the rich pay more not only because they have more but because they use more - do fire departments really exist to put out slum fires or to suppress fires in office building and mansions? Do we have a standing army to protect Section 8 housing or the vast international investments of the leisure class?Are the SEC and Federal Reserve really necessary to administer Medicaid?Whose physical possessions are the police department protecting - the 15 year old TVs in the public housing complexes?Are we maintaining a vast highway system so bums will have some place to hitchhike?Coastal development (marinas, ports, etc...) exists so fishermen with cane poles will have a nice backdrop to fish in front of (if they're allowed access to the beach at all)?Public support of sports complexes is a form of generosity permitting that guy with the stolen grocery cart full of aluminum cans to afford a $200 sideline ticket on Sunday?When you hear about rich people complaining about taxes it's because their selfish vision of the world is that not only do they deserve what they have eaned or inherited by divine right, but the world should be arranged so that they keep it all too - they feel no obligation to the larger society because the world around them exists only for their convienience and satisfaction.The funniest part of it is that they're often the most pious self-professed xtians too - after all they're their god's chosen people - that's why they're rich, no?

Subject: Re: See, here's the thing
Posted by Mr Vinyl on Fri, 14 Oct 2005 15:59:12 GMT
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I haven't been duped by anyone. I am not rich. So what your saying is if the we are invaded by another country the US military should station itself out side all the rich peoples houses because they have paid more in taxes?Fire department exit to put out all fires. They were putting out fires in New Orleans weren't they? Pretty slummy area if you ask me?The Police departments are protecting all property. Are there no police and fire departments in poor areas? If a poor person calls the police are you saying the don't come? They come just as often for the poor and middle class as they do the rich. The rich are paying more for cars, boats, marinas and just about everything else they use. Are they not buying the cars, boats, docks to put their boats in, gas, etc. Or are you saying they get these things for free? If they get them for free then you may have a point. However they don't get them for free do they?Your last statement is pure BS. The rich give more money to charity than you will ever earn. I think they would pay even more if they weren't taxed so high. No they are not rich because they are Gods chosen people (Is this a crack at Jews?) Most are rich because they got off their ass and worked for a living. They took risks and they busted their ass to get what they have. For the few that inherited their money then someone else busted his ass so his children could have more.

Subject: Re: See, here's the thing
Posted by Manualblock on Fri, 14 Oct 2005 16:35:42 GMT
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Sorry; very,very few of the wealthy are self-made. Most are the descendants of the rich.

Subject: Re: To Bill Martinelli - Sorry for this duplicate post but I wanted you to see this analogy.
Posted by Manualblock on Fri, 14 Oct 2005 16:52:30 GMT
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And the state and local and property tax guy; what would he pay when the wealthy stop paying the Federal Tax? The whole bill?

Subject: OK Terrific
Posted by wunhuanglo on Fri, 14 Oct 2005 18:18:13 GMT
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Subject: Man, I love the way you debate. No fuss, muss. :-) NT
Posted by Mr Vinyl on Fri, 14 Oct 2005 19:03:16 GMT
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nt

Subject: I see your still making unsubstantiated claims...
Posted by Mr Vinyl on Fri, 14 Oct 2005 19:04:55 GMT
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Remember, just because you say something doesn't make it so. Even if what you say is so what's your point? You shouldn't be able to leave money to your children? Wasn't it just you bitching about a cap on capital gains for your house and how we are losing are children's money. Let's see what was that quote? Ah here it is..

Subject: Some facts
Posted by GarMan on Sat, 15 Oct 2005 23:59:54 GMT
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Not that it makes any difference but...David R. Kamerschen is a real personHe is an Ecomonics Professor at U of GBUT he was not the author of that storyIt's a good story, but the fact that it has to falsely attribute its origin to Dr. Kamerschen to establish legitimacy puts me off a little.

Subject: Re: Some facts
Posted by Mr Vinyl on Sun, 16 Oct 2005 00:21:57 GMT
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Interesting. Do you know who the author is? I got the story off of the internet and posted it as it was found.

Subject: I found this on a search. You may be interested.
Posted by Mr Vinyl on Sun, 16 Oct 2005 00:35:34 GMT
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It comes from the Urban Legends web site. Apparently he is not the author but was at one time distributing the story to his students. This is how it got falsely attributed to him. That is assuming the Web site is correct. See link. Here is the part concerning David Kamerschen:The signature block at the bottom of the currently circulating Internet version identifies it as being the work of "T. Davies," a Professor of Accounting at the University of South Dakota. Professor Thomas Davies does indeed teach at USD's School of Business, but when we inquired of him whether he was the originator of this piece, we received the following response:Thank you for your message. I previously distributed the "How Taxes Really Work" article (as well as other opinion pieces reflecting different perspectives) to my graduate tax class to encourage them to think beyond the rules and regulations. Unfortunately, it is rather easy to focus on the myriad of complex rules and forget that tax policy frequently influences taxpayer behavior beyond what may have been intended. Thus my students are frequently asked to think "outside the box," and consider such topics a tax complexity, alternative forms of taxation, and the impact of taxes on behavior. The article was not written by me, and I have intentionally avoided commenting on its validity in order to encourage my students to think critically, and to assist in the development of their analytical and communication skills. I am unaware of the true author's identity, which is unfortunate, since the piece has generated considerable interest. Unfortunately, one of my students sent it along and erroneously contributed the authorship to me.
http://www.snopes.com/business/taxes/howtaxes.asp

Subject: Re: Gee;Facts//Why am I not surprised?
Posted by Manualblock on Sun, 16 Oct 2005 01:12:31 GMT
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More BS

Subject: Not surprised at what?
Posted by Mr Vinyl on Sun, 16 Oct 2005 15:05:13 GMT
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That someone would use facts? When I posted the story I said right off the bat that I got it off of the internet and that it had been bouncing around for a while. Here is another little tip for you. If your going to post something have a point. It makes it so much more interesting for the readers.

Subject: Re: Readers? How would you know?
Posted by Manualblock on Sun, 16 Oct 2005 15:30:50 GMT
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NT