



Not-So-Fun Tax Facts

Each year, American taxpayers lose anywhere from 20 to 50 percent of their income to the federal and state government in taxes, with the additional cost of filing taxes averaging approximately \$20 billion annually. However, those figures pale in comparison to the 20 shocking tax-related facts put together by Business Insider, ones that will reportedly “make your head explode.”



1. When Tea Partiers and conservatives rally around shrinking the size of the government, they are likely addressing the first of the shocking facts: the IRS has more employees (106,000) than there are people in the city of Flint, Michigan (102,000).
2. In addition to the \$20 billion Americans spend each year filing taxes, Americans contribute a total of 8 billion hours each year handling their taxes.
3. In the same vein, the number of accountants Americans hire each year to file their taxes — over 1 million — could fill the city of Dallas.
4. *Business Insider* notes that the [federal tax code](#) has increased 16,775%. In fact, according to the U.S. government, the federal tax code contains 3.8 million words, which is approximately 5 times as many words as the Bible. *Political Calculations* notes that the federal tax code is 71,684 pages in length.
5. What makes fact number 4 so interesting is that in 1915, a Chicago lawyer said that the federal tax code was so convoluted and impossible to understand that one would have to hire a palmist to interpret it. In 1915, the federal tax code was a mere 400 pages long.
6. While 84 percent of Americans claim it is not at all acceptable to cheat on taxes, 47 percent of Americans do not even pay taxes.
7. Likewise, while 84 percent of Americans claim that it is unacceptable to cheat on taxes, 90 percent of those who employ babysitters and housekeepers cheat on their taxes.
8. Tax rates are on the decline for all taxpayers, especially those in the top 1 percent.
9. However, despite shocking fact number 8, the top 1 percent are currently paying more taxes than ever. Business Insider explains this by declaring that those in the top 1 percent are gaining wealth faster than the tax rate is declining.
10. Though 47 percent of Americans do not pay federal income taxes, they do pay state and local taxes, as well as sales tax, gas tax, and other tariffs. (Such an observation sort of helps to make the argument for the FAIR tax, doesn't it?)



Written by [Raven Clabough](#) on April 19, 2011

11. Actor Nicholas Cage is apparently one of those Americans, currently owing \$14.6 million in back taxes, which amounts to more money than his last film, *Drive Angry 3D*, earned on opening weekend.
12. Americans who earn \$100,000 take home 62 percent of their income in New York, while they take home 72 percent in Dallas.
13. *Business Insider* writes, "The 400 best-compensated Americans earned an average of \$345 million apiece."
14. Those same Americans are paying an average federal income tax rate of 17 percent, down from 26 percent in 1992.
15. New York City has the highest corporate income tax in the world, surpassing even Japan, China, France, Germany, and Greece.
16. As reported by [The New American](#), General Electric was the biggest benefactor of tax loopholes in 2010, having paid no taxes on its U.S. operating income of \$5.1 billion. In fact, Obama's closest corporate ally claimed \$3.2 billion in tax benefits.
17. *Business Insider* could not help but note that it in fact pays more money in taxes than General Electric, despite the vast differences in profits for the two companies.
18. Apparently, General Electric is not the only company to benefit from some of these loopholes. According to Business Insider, 100 companies on the S&P 500 have paid less than 20 percent in federal taxes, even though the corporate tax rate is set at 35 percent.
19. On a brighter note, the new tax deal includes \$5 million in tax-free gift exemptions.
20. Finally, though Americans continue to struggle with astronomical tax rates, it is frightening to know that it could get worse. In Sweden, the top income tax rate is 56.5 percent. (These are the benefits of Keynesian economics, the system preferred by Obama and the progressives.)

Perhaps the most shocking fact is that the federal government continues to spend nearly \$4 trillion annually, and add trillions to the deficit, despite the economic instability and the unconstitutionality of much of the spending.

Even more startling is what the *Wall Street Journal* [discovered](#) in its playful experiment with numbers, wherein the *WSJ* determined that even if the richest taxpayers contributed 100 percent of their income to federal taxes, the national debt would barely reflect any change:

Consider the Internal Revenue Service's income tax statistics for 2008, the latest year for which data are available. The top 1% of taxpayers — those with salaries, dividends and capital gains roughly above about \$380,000 — paid 38% of taxes. But assume that tax policy confiscated all the taxable income of all the "millionaires and billionaires" Mr. Obama singled out. That yields merely about \$938 billion, which is sand on the beach amid the \$4 trillion White House budget, a \$1.65 trillion deficit, and spending at 25% as a share of the economy, a post-World War II record.

Recognizing that 2008 is a difficult year amid the financial crisis, the *Wall Street Journal* then conducted the same experiment using figures from 2005 — a far more lucrative year as it follows the Bush tax cuts but precedes the financial crisis:

"In 2005 the top 5% earned over \$145,000. If you took all the income of people over \$200,000, it would yield about \$1.89 trillion, enough revenue to cover the 2012 bill for Medicare, Medicaid and Social



Written by [Raven Clabough](#) on April 19, 2011

Security — but not the same bill in 2016, as the costs of those entitlements are expected to grow rapidly.”

In the end, the *Wall Street Journal* concluded, “The rich, in short, aren’t nearly rich enough to finance Mr. Obama’s entitlement state ambitions — even before his health-care plan kicks in.”



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

[Subscribe](#)