



Written by [Paul Dragu](#) on March 20, 2025

Can America Be Tax-free Again?

Americans are so used to paying taxes, so conditioned to believe taxes are necessary for the nation's survival, that Commerce Secretary Howard Lutnick likens it to a form of collective Stockholm syndrome.

Lutnick recently told a CBS reporter that President Donald Trump's goal was to eliminate taxes for people earning less than \$150,000 a year. He made the case that Americans are the economic engine of the world and therefore most deserving of paying no taxes, adding that it is the nations benefiting from our consumption that should pay a "membership fee." He [said](#):



AP Images
Howard Lutnick

The way I think about it, we all are so used to paying taxes, we're so used to it, we have, like, Stockholm syndrome. "Don't stop the Internal Revenue Service, God forbid!" How 'bout this?

The rest of the world leans on our economy, breathes off our economy. Not only is our economy \$29 trillion GDP, but we consume \$20 trillion a year. We are the buyer of everybody's stuff — we buy everybody's stuff! ... Everything comes from us. Let them pay a membership fee. We all understand that model. ... How about we — you and I and every single person we know — pay less? How about no tax on tips? How about no tax on overtime? How about [no tax] on social security? ... These are the kind of thoughts that will change America. I know what [Trump's] goal is: no tax for anybody who makes less than \$150,000 a year. ... And that's what I'm working for.

Why Not Tariffs?

The membership fee Lutnick referred to was *tariffs*, taxes on imported products. Trump's ping-pong tariff game has triggered screeching and gnashing of teeth among the mainstream media peanut gallery. However, for the majority of U.S. history, tariffs were the major source of income for the federal government; federal income taxes did not exist. The main argument against significant tariffs as the main source of national revenue today is that it wouldn't be enough to pay for the laundry list of programs and agencies the government has created over time. Precisely.

Many of today's federal agencies didn't exist until after 1913, and therefore did not need to be funded. At least 20 agencies were created after ratification of the 16th Amendment, which permitted Congress to impose and collect income taxes from the American people. We can start by eliminating the ones doing the most damage, including the departments of education, energy, environmental protection, drug enforcement, health and human services, emergency management (FEMA), national security (NSA), and central intelligence (CIA). Then we can eliminate the remaining agencies with no constitutional permission to exist.



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While Lutnick's comments in that excerpt did not explicitly mention abolishing the income tax, he has suggested the idea before. He has also noted Trump's plan to abolish the Internal Revenue Service and establish an *external* revenue service for tariffs.

Unconstitutional Income Tax

While most people today may not know it, the amendment that allows the government to loot at least 20 percent of citizens' hard-earned income was once considered destructive and unconstitutional by the highest court in the land. In 1819, Supreme Court Chief Justice John Marshall wrote in the case *McCulloch v. Maryland* that "the power to tax involves the power to destroy." And in 1895, more than a century after the nation's founding, the U.S. Supreme Court ruled in *Pollock v. Farmers' Loan and Trust Company* that directly taxing Americans' income was unconstitutional.

Before 1913, tariffs were put on imports. Excise taxes, which are like modern sales taxes, were added to certain items like horses and carriages. As Jack Kenny pointed out in a 100-year-anniversary [article](#) on the income tax, these were taxes on consumption rather than income, which gave citizens the freedom to control their tax burden. This also prevented the government from making first claim to individuals' wealth, "effectively deciding how much income the people would be allowed to keep."

In 1848, Karl Marx published *The Communist Manifesto*, which advocated for a graduated income tax as a way to build a classless society. Marx's ideas caught on in Europe and, eventually, in America. The U.S. used a federal income tax temporarily to fund the Civil War, but ended it in 1866. Nevertheless, the movement for a graduated income tax gained momentum as the 20th century approached. As Kenny noted, "The Socialist Labor Party advocated a graduated income tax in 1887, and the Populist Party demanded the same in its 1892 platform."

Soak the Rich — or the Middle Class?

The key to passing such a tax was convincing the American people. They did so by pointing to the wealth that was indeed being amassed by the industry titans of the day, including the Rockefellers, Carnegies, and Vanderbilts. The American people were told that a federal income tax would "soak the rich" and not affect Average Joe. By the 1912 presidential election, all three candidates — Progressive candidate Teddy Roosevelt, Republican William Howard Taft, and Democrat Woodrow Wilson — supported the tax.

Historians note the interesting fact that even the rich themselves supported a tax that was supposed to affect only them. How come? Here's Kenny:

Senator Nelson Aldrich of Rhode Island, for example, a man widely known to be John D. Rockefeller's "inside man" in the Senate, was a principal proponent of a federal progressive income tax made legal by an amendment to the constitution. This is not surprising, for although the "progressives" who championed the income tax claimed that it would be a tax on the rich and that it would help the little guy, in reality it was largely a tax on the middle class. This is mainly because the wealthy, through the use of trusts and tax-exempt foundations, are able to escape much of their tax burden yet still have great influence and power over business, banking, and government. There was a significant difference between the propaganda and the reality; the populism championed by the progressives and populists was not the "share the wealth" program they portrayed it to be, but a control-the-wealth program.



Opposition

Congress eventually passed the tax, and 42 of 48 states ratified the 16th Amendment, but not before those opposed to it spoke their piece. During ratification debate on March 3, 1910, Speaker of the Virginia House of Delegates Richard E. Byrd said the tax would take revenue from the state and give it to the federal government. [He warned](#) it would extend the power of the federal government into the lives of ordinary citizens:

A hand from Washington will be stretched out and placed upon every man's business; the eye of the Federal inspector will be in every man's counting house. ... Under it men will be hauled into courts distant from their homes. Heavy fines imposed by distant and unfamiliar tribunals will constantly menace the taxpayer. An army of Federal inspectors, spies and detectives will descend upon the state.

He also warned the tax would dictate forms of bookkeeping and force citizens "to disclose the secrets of their affairs." Nevertheless, Byrd's prophetic warnings went unheeded.

Once ratified, the federal income tax slowly but surely slithered into American citizens' lives, becoming the burden it is today. Of course, the wealthy continue to figure out ways to pay less. After passage of the 16th amendment, annual income below \$20,000 (or about \$460,000 in 2012) was taxed at one percent. With an exemption of \$3,000, most Americans didn't pay anything.

But by 1920, 12 percent of the adult population was paying income taxes. By 1940, that percentage had doubled. In 1942, the "temporary measure" of automatic withholding was implemented — but it became permanent. Less than two decades later, more than two-thirds of American adults had to pay income tax. By the 1980s, that number had crept up to 75 to 80 percent. Then, taxes on income amounted to about 25 percent of all earnings. Taxes from all sources — federal, state, and local — moved above the one-third mark.

Why Do Americans Defend the Income Tax?

Lutnick's statement at the beginning of this article is tragically true. Just as victims of Stockholm syndrome develop a bond with their captors based on deluded positive feelings, Americans view favorably the very mechanism that robs them of economic power and freedom, and they do so because their captors have brainwashed them.

It is especially astounding that there is anyone left in America who still defends this un-American looting tool, given the most recent findings by the Department of Government Efficiency (DOGE).

While regular citizens struggle to pay \$5 for a dozen eggs, the federal government has dedicated valuable resources to the salaries of degenerate National Security Agency employees who [discussed](#) all form of lurid details related to transgenderism while on the clock. Numerous federal government departments brought in race-baiters and paid them piles of cash to teach other government employees that this country, the people who pay their salaries, are awful and racist. And just recently, senior advisor at the U.S. Agency for Global Media Kari Lake revealed that the federal government entered into a \$250 million lease for a lavish skyscraper for the agency, a federally funded propaganda apparatus that has become anti-American. But it gets worse. The agency already had a building — and it was all paid off.



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We also learned that piles of cash were doled out for benefits and hotel stays for illegal aliens. We learned intelligence agents burrowed into social media companies to silence Americans who held unapproved views on the origins of Covid, the safety and efficacy of the Covid “vaccine,” or the legitimacy of the 2020 election.

In short, the American people are paying for their own destruction.

Restoring the Founders’ Vision

Eliminating the federal income tax is one of the most important ways Americans can begin restoring the Founders’ original vision for what was not too long ago the freest and most prosperous nation in the history of the world.



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