



The Morality of Taxes

A Worship Service by the REV. JEFF BRIERE

Unitarian Universalist Church of Chattanooga

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Good morning. Welcome you to the Unitarian Universalist Church of Chattanooga. My name is Jeff Briere, I am the minister of this church and to begin our service let's sing "Turn the World Around." This is from our Hymnal supplement, and someday we hope to have enough copies for everyone. Until then, take a look at the screen for the words. The words direct our thoughts to the spirit instead of the external world and provoke the question, are we spiritual beings in a material body or material beings with a spirit?

SONG: "Turn the World Around"

Remain standing a moment, if you will, please. Look around you. These are your friends and neighbors, your fellow congregants. You know many of them, but I'll bet you don't know them all. So in the next few minutes, find someone you don't know and make a new friend. OK, everyone, greet your new friends!

GREETINGS

Char. **Thanks so much** for joining us in worship today. We hope you find the service rewarding and that you leave here inspired and uplifted. And thank you so much for helping to create a reverent atmosphere during *Connections*. If you have a particular **joy or sorrow** or something you'd like added to the prayer of the people, please clearly write it on an index card and drop it in the basket back there. You may sign it or not, as you wish.

Please check out **the complete listing of announcements** included with the bulletin. The best way to find out what's happening around here is to sign up for a weekly e-mail. To do that, please see Chris in the office.

To begin our service, Kate chose music by Sergei Prokofiev. This is "Morning."

PRELUDE: Morning

Lynne Higgins, would you light the chalice, please? Over time, we have accompanied our chalice lighting with scripture, passages, poems and responsive readings. Today the choir prepared something for us to contemplate as we light our chalice.

STORY: Just a Drop in the Bucket

Have you ever felt that what you were doing would not make a difference? Have you ever felt that what needed to be done was just so much bigger than what you could do by yourself?

So what do you do? Get other people to help, right? Only sometimes, that's not so easy, because you have to convince them to get on board. Well, I have a story about that.

Once upon a time there was a drop of water named Higgins. No relation to Lynne Higgins.

Higgins lived in a valley where it had not rained in a very long time, sorta like our Tennessee Valley this summer. All the lovely, soft, green grass was dry and brittle and brown, all the beautiful flowers were wilted, and all the trees were drooping.

But you know, Higgins was no ordinary drop of water. He was a drop with a dream. Higgins had a dream that one day the valley would be a beautiful place again.

But what could he do about it? After all, he was only a drop of water. And a drop of water might be good for a thirsty grasshopper, but he wasn't enough for all the trees, flowers and grass. He was just one drop of water.

One day Higgins decided to travel and tell others about his dream.

All the other drops listened very politely, but no one believed that his dream would come true.

"Higgins," they said, "get a life. You can't spend your whole life dreaming."

Higgins decided that he had to do something to make his dream come true. So he began to think and think and think. One day, as he was walking by a rusty old bucket, he got an idea.

"If enough of us drops of water got together in this bucket," Higgins thought, "there would be enough water to sprinkle on a few flowers to help them grow and become beautiful again!"

So Higgins told everyone his great idea. But everyone thought he was being foolish. "Higgins has his head in the clouds again. He's nothing but a dreamer," they said.

Higgins decided he had to do something to convince the others that he was right. So he said to them, "I don't know about you, but I'm getting into the bucket! I hope you will join me. Then there might be enough water to help at least some flowers grow beautiful again."

So Higgins ran as fast as he could, jumped on the springboard and flew way up in the air, and landed with a KERPLUNK in the bottom of the bucket.

And there he sat ... Just a Drop in the Bucket.

For a long time Higgins was very lonely. It seemed like no one else was going to join him. But after awhile some of the other drops could see that the grass was dying and the flowers were wilting and the trees were drooping. They all agreed that something must be done.

Suddenly, one drop shouted, "I'm going in the bucket with Higgins!" And he flew through the air and landed-KERPLUNK-in the bucket.

Then two other drops yelled, “Wait for us!” And they hopped through the air and landed in the bucket. Then ten drops jumped through the air into the bucket. Then thirty. Then fifty! And then hundreds of drops came from all around just to hop in the bucket! Soon, the bucket was completely full of water. But there were still more drops that wanted to join, so they found another bucket and hopped in. Before long, there were two buckets of water-then three-then four-then ten-and then hundreds-and then thousands of buckets of water!

Along came a powerful breeze that blew over all the buckets, and all the water flowed together to make a mighty stream. Everywhere the water flowed, the grass turned green again and the flowers bloomed and the trees stood tall and straight once more.

All this happened because Higgins had a dream and his dream came true. Because he knew that although he was just a drop in the bucket, enough drops in the bucket make a bucketful, and when there are enough buckets with the wind behind them, then justice will roll down like waters and righteousness like a mighty stream.

Thanks for listening to my story. I hope you enjoyed it. And remember that although you may be a drop in the bucket, with enough drops you can turn the world around. Would you join us in singing, please?

CHILDREN’S RECESSIONAL

OFFERTORY: Les Feuilles Mortes

Once a month, this church donates the entire Sunday offering, less pledge payments, to an outside agency working to make the world a better place. We’ll do that today as we share the plate with Tennesseans for Fair Taxation.

There are two types of people in this world. You ever hear that before? There are good hearted people like Stanley Baldwin. He was Prime Minister of England three times in the years leading up to World War II. He was a conservative and served under three different British monarchs. As financial secretary to the treasury, Baldwin was appalled at the extent of the British war debt after the First World War.

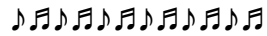
In 1919 he wrote an anonymous letter to The Times urging the wealthy to impose a voluntary tax upon themselves to help relieve the national burden. Estimating his own personal estate at £580,000, Baldwin invested 20 percent of its value in government war-loan bonds. He then destroyed the certificates, thus making his £150,000 a gift to the treasury. His wealthy colleagues, however, did not follow Baldwin’s example.

In this world there are also hard-hearted Hannahs, like this woman. Do you know her? She wasn’t too happy in this photo. Here she is 20 years earlier, when she was arrested. Leona Helmsley lived in New York City and was a real estate entrepreneur. She was convicted of federal income tax evasion in 1989. During her trial, a former housekeeper testified that she heard Helmsley say: “We don’t pay taxes. Only the little people pay taxes.”

Somewhere in between those two extremes are people like Tennesseans for Fair Taxation. They are working to change the state tax system that maintains extreme wealth disparity in Tennessee. They propose to eliminate tax on food, reduce the sales tax and implement an income tax thus spreading the burden of taxation more equitably among the citizens. Tennesseans for Fair Taxation works to create a more fair and progressive tax structure that ensures adequate revenues for the benefit of all Tennesseans. TFT works through education, coalition building, and grassroots organizing with diverse groups and individuals.

We’ll receive the morning offering now for Tennesseans for Fair

Taxation. Please be generous when the plate comes your way. If you have a pledge payment, please mark it as such. As always, the Wood–Wilhoit Memorial Food Bank is happy to accept your donations of non–perishable food and household items for the Community Kitchen. The collection basket for that is by the front door. If you wish to light a personal candle of joy or sorrow, you may step up here and Mary Hunter will assist you.



Eternal Spirit of life and love, we are profoundly thankful for the blessings we experience today. Would that we recognize our blessings every day and remember to be thankful for them.

Jesse & Christina, please lead us in our Hymn of Thanksgiving.

HYMN OF THANKSGIVING

Oh, we give thanks, for this precious day,
For all gathered here, and those far away,
For this time we share, with love and care,
Oh, we give thanks, for this precious day.

ORISON

Dona Nobis Pacem. Give Us Peace. Dona Nobis Pacem.

This week, in your thoughts and prayers, please remember Elaine Watkins, whose son is in trouble. She plans to travel to Arizona to see him on Monday. She hopes to bring him back here, but nothing is assured right now.

This is the prayer of the people, so in these next few moments, please speak the name of someone or something that needs our prayers and good wishes.

Please join me in the Orison.

Thou, which are everywhere,
Many are your names.
May we always feel your presence,
May love and wisdom guide us,
In our deeds as well as in our dreams.
May we have what sustains our body and soul;
Lead us first to forgive the mistakes of others
Even as we hope our own mistakes will soon be forgiven.
May we resist the temptation of the quick and easy,
And be delivered from that which demeans and destroys life.
May we live purposefully and joyfully
in every moment, in every encounter,
now, and in the time to come.

During this time of silence let us hold close to our hearts those who strive everyday to make the world a better place, but let us never forget those who suffer the fallout of war.

Dona Nobis Pacem. Give Us Peace. Dona Nobis Pacem.

RESPONSE

When our heart is in a holy place
When our heart is in a holy place
We are blessed with love and amazing grace
When our heart is in a holy place

HERE

Here may no one be altogether a stranger,
no honesty of thought ignored,
no depth of feeling dismissed,
no life belittled, and no life shut out.

Here may clarity of mind and heart
be humbly treasured,
brought to bear toward word and person.

Here may fellowship be treasured most of all
and paths to sustain and renew it
be sought and found.

Here may growth of spirit be our purpose;
such understanding as shall lead us
to make the world a better place.

SERMON: Morality in Taxation

In 1789, in a letter to Jean-Baptiste Leroy, Benjamin Franklin wrote that “In this world nothing can be said to be certain, except death and taxes.” He was not the first person to say that, but his words are the ones familiar to us. Had Ben been alive today, he might have added annoying cell phones. I’ve had enough of death—today I want to explore taxes; why we put up with them, how they should be administered, who should pay them and how much. Specifically, I want you to consider how a reasonable and responsible state ought to levy taxes for the good of the society and for the benefit of the people. I have one caveat and one apology before I dive into this topic.

The caveat is that I don’t know enough about the ins and outs of taxation to be considered an expert. I probably know enough to get myself into trouble. The apology is that I am sorry if you think I am talking politics from the pulpit, because I intend to approach this from a moral standpoint, not a partisan perspective nor a political viewpoint. I am aware that the topic can be politicized, and I will do my best to avoid that. And I won’t tell you how to vote.

Taxes have been with us forever, or nearly so. In the pyramids, there are pictographs of taxes being paid in grain. The bible mentions

taxes in several places, in both Hebrew and Christian scriptures. The Rosetta Stone, which was the key to Egyptian hieroglyphics, was a tax record. Taxes are here to stay, I believe.

The types and varieties of taxes are astounding. Taxes have been levied on personal income, on sales, on luxuries, on gasoline, on tobacco, on alcohol, on land, on goods and services, on imports and on inheritances.

Taxes have been paid in lieu of military service, for license plates, to register deeds, as penalties for any number of pollution-generating enterprises, for sewage services, for licenses to engage in sensitive occupations, for drivers’ licenses, for hotel rooms, for food, and sometimes, a poll tax is paid before you can vote.

The revenue from taxes pays for roads and bridges, public education, public services, streetlights, the police and military, oversight of sensitive occupations, the administration of government and many other things. The taxes we paid allowed me to draw unemployment when I was between engagements; the taxes we paid allowed me to borrow money at attractive rates for college and graduate school and the taxes we paid were used by a rural school district in upstate New York to attract good teachers, like Kate Briere.

There are more types of taxes and more examples of what taxes are used for than I can mention here. You can bet that new taxes will always be introduced and new projects will take off when the money rolls in to fund them. I believe we will always have taxes. What we must do, then, is levy them appropriately and use them wisely. Levy them appropriately and use them wisely.

I support taxes—morally just and fair taxes. To be morally fair and just, a tax ought to treat people equitably and it ought to be gentler to those who have less.

You may know Adam Smith. He was a Scotsman, a philosopher and

a moralist and he lived around the time of the American Revolution. In seminary, he was assigned reading on morals, but he also wrote about wealth, economies and taxes. And he did so with a certain remove, a distance between him and his subject. That he could do so is because he was well-off to begin with and secondly, as a philosopher, he was expected to write from a disinterested position. He wrote about taxation in his book, *The Wealth of Nations* and he proposed four principles of fair taxation:

Smith said first, that *The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state.*

In today's English, if you make money under the protection of the government, then you ought to pay for that privilege. And the more you make, the more you ought to pay. We know this principle today as a proportional income tax, a progressive income tax or a graduated income tax. Forty-one states in this country and most of the countries around the world levy some sort of income tax, and nearly all are proportional in some way or another.

The second thing that Adam Smith said is that *the tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person.*

In other words, we ought to be able to figure out ourselves how much to pay and how to pay it; it shouldn't take a rocket scientist to figure your tax. In Smith's day, certain unscrupulous tax collectors were known to extort more than necessary from ignorant people and pocket the difference. Smith thought this principle of certainty was so important that he also wrote, *the certainty of what each individual ought to pay is a matter of so great importance that a very*

considerable degree of inequality is not near so great an evil as a very small degree of uncertainty.

His third principle was *every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributors to pay it.* In Smith's day, the tax collector might be sent out by a landowner to collect taxes when the landowner needed money, not considering that the tenant might not have reaped his crop and sold it, thus having no way to pay the tax. It would be useless and unfair, Smith said, to tax an income that has not yet been realized by the taxpayer.

Lastly, Smith believed that *every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state.*

Eighteenth century philosophical prose being what it is, I had to read that sentence a few times before I understood what Smith meant. He was basically saying that levying a tax ought to be done with as few tax collectors as possible, in a way not to interfere with commerce, that penalties for non-payment ought not ruin a taxpayer and that collection ought to be as attractive as possible. And the tax ought to be what it needs to be and no more. In Smith's words, *taxes are frequently so much more burdensome to the people than they are beneficial to the sovereign.*

So Smith's four principles are that taxes ought to be proportional, they ought to be certain, they should be levied when taxpayers can afford to pay and the whole scheme and bureaucracy ought to be as simple and convenient as possible. I don't know of anyone who objects to those principles. Indeed, they are the basis for income taxes around the world. The success countries achieve in adhering to these principles varies.

Keeping those principles in mind, I want to briefly mention three

types of taxes that are often discussed in Tennessee.

First, property tax—a tax based on land ownership. As far as I can tell, our property taxes are proportional; the more valuable your little half-acre is, the more tax you pay on it. I do see some inequity, though. Renters pay no tax directly, their portion of the tax bill is supposedly rolled into the rent. Therefore, the renter has no way to deduct property taxes from his federal income tax. It also encourages some amount of disconnect between the individual and the government, for if you were a renter, it would be easy for you to believe that you had no stake in local education or government, since you don't pay for it.

But the issue of renters is a small quibble. Excepting disagreements over assessments and millage rates, I think most people agree that property taxes are an appropriate way to fund our society. I guess the Libertarians would have an issue with that.

Second, sales tax—a tax based on commerce or consumption. A sales tax has several advantages. First, it hits everyone, even non-citizens, for the support of the society. That's like getting free money from visitors to run your society. It's cheap for the state to administer, because there is no army of tax collectors out there checking income tax on everyone—that responsibility is placed on the merchant. The state just sits back and watches the money roll in. It's egalitarian; everyone pays the same amount of tax on the same purchase.

In a roundabout way, a sales tax encourages retail business development. The state is much more likely to develop retail business opportunities because they see them as generating more revenue. This could be a good thing, or in the case of traffic on Gunbarrel Road, it could have unintended consequences. But my point is that development is driven by a need to generate tax revenue, not always by the needs of the people.

In my opinion, a sales tax has disadvantages that outweigh its advantages. It doesn't tax the generation of wealth, it taxes the consumption of goods and services, thus violating Smith's first principle. With my wonderful manufacturing company, I could generate a million dollars in Tennessee and spend it somewhere with no sales tax, thus depriving both places of revenue, and yet I enjoy the protection of the state in each place.

The burden of a sales tax falls more heavily on those of meager resources, also violating Smith's first principle. A rich man lives on Missionary Ridge and earns \$100,000 a year. Meanwhile, a poor man lives in East Ridge and he earns \$10,000 a year. Both men buy a T-shirt at Riverbend for \$20. And each man pays \$1.85 sales tax. That \$1.85 is a larger proportion of the poor man's income; it's harder for him to afford the sales tax than it is for the rich man, and yet clothing is critical to everyone, rich or poor.

Now \$1.85 is not much, as today's prices go, even for a poor man. I used these figures to make a simple point. The burden of a sales tax falls more heavily on those with meager resources. A sales tax may be egalitarian, in that everyone pays the same tax, but it's not equitable, meaning just, or fair, because it demands a larger proportion of a smaller income. It's not a progressive tax, it's a regressive tax.

A sales tax encourages people to avoid it. Those living near the edge of Tennessee are tempted to cross the border to make purchases, (and they often succumb to those temptations) thus robbing Tennessee of revenue. Anyone in this room been to Costo? You know where it is, right? Just over the border in Georgia. I compared Costo and Sam's Club and found the same quality merchandise at both places; not always the exact same things, just the same quality. Neither store is more convenient to me. So why would I go there? Maybe for the wine, but that's a different issue. Believe me, the milk and butter and meats and veggies are no different there. I just pay less for them.

And then there's the issue of online purchases. Anyone in this room purchased anything from Amazon? If you read our local newspaper, you are probably familiar with the issues of sales taxes and online purchases. Sales taxes invite people to avoid them, and that shouldn't be.

The third type of tax I want to mention is an income tax. To support the government and to more equitably spread the burden of taxation, instead of a sales tax, I support an income tax; specifically, a graduated progressive tax on personal income, on corporate income, on capital gains, on investment returns and on huge inheritances.

As I said, I am not an expert in these matters. There are probably a thousand considerations that have not occurred to me. It would take more time than I have left on earth to master the nuances of different taxes. But I am comfortable with taxing all forms of income for the support of the state. I suppose that youngsters, the elderly and the disabled should be treated somewhat differently than working people. Overall, I think an income tax is the method that best achieves Adam Smith's principles.

Forty-one states and most countries tax income. Are they all wrong? I don't think so. Refusing to institute an income tax harkens back to pioneer days when Tennessee was poor, largely inaccessible and separated from the rest of the country. In those days, people produced their own food, made their own clothes and it made some economic sense to not tax income, as there was so little of it.

Those days of rugged individualism are gone. Tennessee is slowly becoming more cosmopolitan and interconnected. Tennessee is becoming more communal. And an income tax is the most equitable way to support the community.

A new member of our community this morning is Samantha Maples. She is a regional organizer with Tennesseans for Fair Taxation and she was kind enough to come here from Knoxville for our Forum and

worship service.

[Her remarks]

Underlying Adam Smith's principles is the notion of a social contract. An implied social contract. This contract is the basis for any community, society, city, state or nation. It says that we work *together* for our common good. I said last week that no one does church alone, that we are all responsible to each other for this liberal religious society. Likewise, no one lives and works completely alone in this society. Every person is responsible to every other person for the common good. That's the implied social contract.

Do you know Elizabeth Warren? She's running against Scott Brown for the Senate in Massachusetts. Someone recently shot a homemade video of her speaking about this very issue. She says it better than I can.

[Video]

Our closing hymn reflects a favorite theme of mine, that of interconnectedness. I often say, "We're all human beings, and we're all in this together."

HYMN 134, "Our World Is One World"

EXTINGUISHING THE CHALICE

Lynne Higgins, please extinguish our chalice.

We extinguish this flame,
but not the light of its truth,
the warmth of this community,
nor the fire of our commitment.
These we carry in our hearts

and share with all the world.

BENEDICTION

Our benediction this morning is a prayer by Stephen Shick.

Spirit of Life and Love, we have learned to trust the rhythm of your changing seasons. We delight in the certainty that each change, no matter how wrenching, brings with it the promise of new life. Yet in the affairs of our own days there are times when we lose our trust in the rhythms of change. In those moments, we pray to be reminded of how the dawn follows night and spring arrives only after winter has lost its grip on reality. Here, in the uncertainty of the moment, help us accept change with the delight of a child coming of age or an elder embracing new-found wisdom. When we long for the comforts of what can no longer be, lift our heads above our losses and our fears and cast our eyes on the promise of new beginnings.

Please join the choir now in singing the postlude, which, according to Lee Adler, is like a hora, a type of Israeli dance. We have sung this song a few times before. The words are from Isaiah and you'll catch the melody right away.

POSTLUDE: We Shall Go Out with Joy

Thank you very much for your participation in our service this morning. Parents, please rejoin your children now and we'll enjoy a time of fellowship with the best fair-trade coffee in southeastern Tennessee.