



Giving is Good, Taxing is Better

Anna Gunn, 21 March 2019

Article 104 Dutch Constitution (new)

§ 1. The Kingdom levies no taxes.
§ 2. However, gifts are greatly appreciated.

Gift Taxes

- Can it be done? Yes
- Will it raise sufficient funds? Probably not
- Is it worth doing?

Which problems are we trying to solve?

- (Alleged) injustice to taxpayer
- Lack of public trust and social cohesion

Let's be clear

- Tax is often unpleasant
- Coercion of the individual
- Intrusive State

- Major risk: surveillance (not money)
- Tax isn't inherently a good thing

Tax is *always* controversial

- Absolute amount (“I pay too much tax”)
- Position of others (“He doesn’t pay enough”)
- Division of tax burden
- Use of the tax
- Lack of representation
- Unjust taxes
- Favouritism
- Etc. etc.

So, why do we tax? (functions)

- Classical State functions
- Social State functions
- Redistribution of wealth
- Incentivisation of 'good' behaviour
- Disincentivisation of 'bad' behaviour
- Pricing externalities
- Providing State aid
- Servicing existing national debts
- Etc. etc.

Tax and power

- Managing (power) differences
- Democracy needs tax
- Enforced solidarity
- Equalisation effect – ‘one man, one vote’
- Secrecy is dangerous
- Role of tax professionals

Cultural principles for tax

- Ability to pay
- Polluter pays
- Equality
- Solidarity
- Legality
- Fair play
- Certainty

Gift Taxes: The way to go?

- Gifts cannot replace all functions of tax
- Happy individuals, but likely not sustainable
- Rich gain influence (even if 'gift-culture' arises)
- Increase of distrust in society

- Conclusion: probably not
- Taxes are actually quite good

What else could we do?

- Veil of ignorance for the C-suite
- Lobby panopticum
- Rationing the commons
- Expiry date for money
- Basic income

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