

## 100 Years of the Tax Code: 100 Tax Quotes

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The United States Congress has labored for almost a hundred years to produce a fair tax code, with impressively awful results.

— Thomas G. Donlan

Our modern income tax experience began with the Revenue Act of 1913. The World War soon brought high rates.

— Robert H. Jackson

This course is *Introduction to Federal Income Taxation*. . . . I hold in my hand what we will explore this semester: *The Internal Revenue Code*. It produces more money than any other law in history, the money necessary to operate the most powerful country that has ever existed on this planet. Simultaneously, it provides economic incentives for a set of favored activities, such as exploring for oil and contributing to religious organizations. It helps people who have lost their jobs, gotten sick or been robbed. It takes more from the rich than from the poor. And it attempts to do all of this without disturbing the free market capitalism that has made this society so successful. In other words, this is the greatest and most ambitious legislation ever enacted!

— Wayne G. Barnett (paraphrased)

The worst aspect of the Internal Revenue Code may be that it channels many very smart students away from productive activities and into tax law, where they are well paid for playing an intellectually challenging game that produces nothing of value to society. Indeed, if given different incentives, some of these very smart students might choose careers that actually help alleviate some of the problems — *e.g.*, poverty, poor education, illness, energy needs — that the Internal Revenue Code deals with so clumsily.

— Jeffery L. Yablon

The one area of the economy where the tax system is a robust job-creating machine is the area of tax return preparation and software, tax planning, tax controversies and tax compliance. The distortions in our tax law are so numerous, so rewarding to the well-advised, and frequently so complex to comprehend and comply with that they serve to produce millions of well-paying indoor jobs that not only require no heavy lifting, but also are immune from the ups and downs of the business cycle.

— Michael J. Graetz

To a fee-maximizing tax professional, the Internal Revenue Code of 1986, as amended, is merely a platform waiting for energetic entrepreneurs to construct a superstructure of previously unimaginable complexity.

— Boris I. Bittker

People will pay you a lot of money if you pretend to know how the tax code works.

— Adele Valenzuela

Citizens should be able to comply with the tax code without having to spend absurd amounts of money to do so.

— Arthur B. Laffer

## COMMENTARY / TAX QUOTES

In the United States we have observed that there are two Internal Revenue Codes — one for Wall Street and one for Main Street. Wall Street can afford and often needs the services of sophisticated tax lawyers. Main Street often can't and doesn't.

— Sheldon I. Banoff

The tax code is a road map for law-abiding citizens and businesses to pay what they fairly owe, not an obstacle course to be gamed and gotten around.

— Max Baucus

The income tax has spawned an intrusive bureaucracy, creating so much complexity and red tape that millions of ordinary citizens have to go get some accountant to fill out the forms for them — and then sign under penalty of perjury that it was done right. If you knew how to do it right, you wouldn't have to go to somebody else to have it done, would you?

— Thomas Sowell

We have a tax code that favors those with the best accountants.

— Shane Keats

There is nothing wrong with a strategy to avoid the payment of taxes. The Internal Revenue Code doesn't prevent that.

— William H. Rehnquist

The tax code makes tax avoidance (which is perfectly legal and proper) easy; and tax evasion (which is a felony), tempting. After all, if the best place to hide a book is in a library, the best place to hide a tax dodge (legal, illegal, or somewhere in between) is in the depths of a tax return the size of one or more phone books.

— John Steele Gordon

Fact: The birth agonies of the new IRS led to one of the great and terrible PR discoveries in modern democracy, which is that if sensitive issues of governance can be made sufficiently dull and arcane, there will be no need for officials to hide or dis-

semble, because no one not directly involved will pay enough attention to cause trouble.

— David Foster Wallace

Over the years, a parade of lobbyists has rigged the tax code to benefit particular companies and industries. Those with accountants or lawyers to work the system can end up paying no taxes at all. But all the rest are hit with one of the highest corporate tax rates in the world. It makes no sense. It has to change.

— Barack Obama

Our founding fathers never intended a larger-than-life government manipulating our very economy via the tax code.

— Michele Bachmann

I want to begin by saying we have had good experience with the Internal Revenue Service; it's the Internal Revenue Code that doesn't work.

— Brian Gloe

A perfect revenue law, if improperly administered or resisted by a hostile public, will soon become a practical monstrosity; but an imperfect law, if wisely administered with a reasonable public, will produce very satisfactory results.

— Aubrey R. Marris

The United States has a system of taxation by confession. That a people so numerous, scattered and individualistic annually assesses itself with a tax liability, often in highly burdensome amounts, is a reassuring sign of the stability and vitality of our system of self-government. What surprised me in once trying to help administer these laws was not to discover examples of recalcitrance, fraud or self-serving mistakes in reporting, but to discover that such derelictions were so few.

— Robert H. Jackson

Now, we would like to think that there is no such thing as left-wing or right-wing tax enforcement, but there is.

— Lee A. Sheppard

Just as the tax code has become an instrument of social engineering for politicians, over and above its primary purpose of raising revenue for the government, so too has the tax-enforcement process become an instrument of general law enforcement for law-enforcement stretching far beyond the enforcement required to collect the taxes levied by the code.

— Dan R. Mastromarco and Lawrence A. Hunter

The U.S. tax code is the most political law in the world.

— Jonathan Blattmachr

The tax code is the single greatest source of lobbying activity in Washington.

— Dick Armev

Getting a narrow tax break into the tax code is hard enough; getting it out can be even harder.

— Jackie Calmes

Tax lobbying often offers corporations a higher return on investment than any other form of capital deployment.

— S. Douglas Hopkins

The Internal Revenue Code is the most persuasive brief ever written for campaign finance reform.

— J. Mark Iwry

There is no end, of course, to people promoting the use of the tax code to support nice-sounding things. That's why we have the tax code we do.

— Holman W. Jenkins Jr.

The powerful behavioral effects of taxation (more a tribute to the power of markets because all taxes do is change prices) have seduced politicians into thinking the tax code is an omnibus instrument for social good. It is not.

— Douglas Holtz-Eakin

Every society makes choices as to the tax systems that not only raise the necessary revenues to support government expenditures, but within that

choice are inherent reflections of societal values. Not only does a society choose a tax system but the tax system becomes one of the basic institutions that in itself shapes and molds the society.

— Karen M. Yeager

The tax code . . . should not be a tool of industrial policy.

— Dave Camp

I don't think the tax code should be a substitute for the appropriations process in making social change.

— Charles B. Rangel

It used to be that the sole purpose of the tax code was to raise the necessary funds to run government. But in today's world the tax mandate has many more facets. These include income redistribution, encouraging favored industries, and discouraging unfavorable behavior.

— Arthur B. Laffer

The income tax is a highly effective tool for raising revenue for the federal government. It also happens to be ideally suited for use by individual lawmakers in distributing economic benefits to their constituents. That nonpartisan, *instrumental* use of the income tax takes the form of enacting special rules, regulations, and statutory amendments to the tax code that shelter favored groups and taxpayers from the burden of the impost. It is now practically expected that lawmakers will pursue special tax provisions that benefit organized interest groups, industries, economic sectors, and wealthy individuals located in their home districts and states. They do not always succeed, but they constantly try.

— Sheldon D. Pollack

Tax legislation is not a promise, and a taxpayer has no vested right in the Internal Revenue Code.

— Harry Blackmun

The tax law . . . is the primary link between the nation's citizens and their government. Many more people file tax returns than vote in presidential elections.

— Michael J. Graetz

Of course the truth is that the congresspersons are too busy raising campaign money to read the laws they pass. The laws are written by staff tax nerds who can put pretty much any wording they want in there. I bet that if you actually read the entire vastness of the U.S. Tax Code, you'd find at least one sex scene ("“Yes, yes, YES!” moaned Vanessa as Lance, his taut body moist with moisture, again and again depreciated her adjusted gross rate of annualized fiscal debenture”).

— Dave Barry

The term “tax humor” is no doubt an oxymoron to many people; to the more cynical, it is an apt description of the entire tax code.

— John F. Iekel

The federal income tax is a complete mess. It's not efficient. It's not fair. It's not simple. It's not comprehensible. It fosters tax avoidance and cheating. It costs billions of dollars to administer. It costs taxpayers billions of dollars in time spent filling out tax forms and other forms of compliance. It costs the economy billions of dollars in lost output of goods and services from investments being made for tax rather than for economic purposes. It involves tens of thousands of lawyers and lobbyists getting tax benefits for their clients instead of performing productive work. It can't find ten serious economists to defend it. It is not worth saving.

— Robert E. Hall and Alvin Rabushka

Somewhere, in a fantasy land populated by economists and governed by benevolent technocrats from safe districts, there exists an ideal tax code. It provides a stable, reliable platform for savings and investment, and it generates enough revenue to run the government without distorting decisions by individuals and businesses.

That's not the country we live in, and that's not the tax code we have.

— Richard Rubin

When you listen to tax-cut rhetoric, remember that giving one class of taxpayer a “break” requires — now or down the line — that an equivalent

burden be imposed on other parties. In other words, if I get a break, someone else pays. Government can't deliver a free lunch to the country as a whole. It can, however, determine who pays for lunch.

— Warren Buffett

The design of a tax system, including the extent to which it confers avoidance power, reflects the values of its designers. Tax systems, after all, do not follow the laws of nature. The design of a tax system is not ordained by anything even remotely analogous to the law of gravity. Unlike the falling of a pebble released from a hand, a particular tax system is not the inevitable result of forces which humans can understand, perhaps control and sometimes escape from, but cannot alter. Rather, tax systems are products of human creation. They exist because they serve human objectives, reflecting the values of their designers. A tax system's design can reveal much about those values.

— Alice G. Abreu

Yet if there is one thing that Americans agree epitomizes failed government, it is the tax code.

— Kimberley A. Strassel

The tax system touches more people in this country than any other part of the government or our laws. The loss of confidence in its integrity is the loss of confidence in the government itself.

— B. John Williams

Almost every time we pass a tax bill, we make the code more complex, increase the burden on the taxpayer, and make it harder to enforce.

— Trent Lott

Consider the United States Constitution. The Constitution is openended, generalized and telescopic in character. What has it spawned? Pervasive ambiguity and unending litigation. Contrast the extreme counter-model of law, the Internal Revenue Code and its festooned vines of regulations. Code and regulations are particularized, elaborated and microscopic in character. What have they spawned? Pervasive ambiguity and unending litigation.

— Bayless Manning

It will be of little avail to the people, that the laws are made by men of their own choice, if the laws be so voluminous that they cannot be read, or so incoherent that they cannot be understood; if they be repealed or revised before they are promulgated, or undergo such incessant changes that no man, who knows what the law is to-day, can guess what it will be to-morrow. Law is defined to be a rule of action; but how can that be a rule, which is little known, and less fixed?

— James Madison

Overall, the complexity of the tax code leads to perverse results. On the one hand, taxpayers who honestly seek to comply with the law often make inadvertent errors, causing them to either overpay their tax or become subject to IRS enforcement action for mistaken underpayments. On the other hand, sophisticated taxpayers often find arcane provisions that enable them to reduce or eliminate their tax liabilities.

— Nina E. Olson

A ton of economists, both liberal and conservative, have argued for a flat tax, but nobody's ever had the nerve to do it. . . . It would simplify things, but simplification doesn't seem to be in the human psyche.

— Clint Eastwood

[The Internal Revenue Code] has become *lex incognita*. Bad things happen when law is occult. In the private sector, taxpayers seek out the most optimistic advice. Conservative advisors are driven out by the bold. On the government side, delays and gaps grow in providing guidance, which, when it comes, may be defensively arbitrary with little more foundation in the statute than the aggressive advice of some private practitioners on the opposite side. In frustration, Congress has yielded to IRS calls for new, no-fault penalties to increase the effective tax rates for taxpayers who guess wrong on how the law will be applied. But penalties do not clarify.

— M. Carr Ferguson

Our income tax system has been destroyed by complexity — a complexity caused largely by well-

meaning efforts to achieve theoretical purity, eliminate every real and imagined “abuse,” and address nontax policy objectives.

— Fred T. Goldberg Jr.

All the Congress, all the accountants and tax lawyers, all the judges, and a convention of wizards all cannot tell for sure what the income tax law says.

— Walter B. Wriston

In my own case the words of such an act as the Income Tax, for example, merely dance before my eyes in a meaningless procession; cross-reference to cross-reference, exception upon exception — couched in abstract terms that offer no handle to seize hold of — leave in my mind only a confused sense of some vitally important, but successfully concealed, purport, which it is my duty to extract, but which is within my power, if at all, only after the most inordinate expenditure of time.

— Learned Hand

I guess you will have to go to jail. If that is the result of not understanding the Income Tax Law I will meet you there. We shall have a merry, merry time for all our friends will be there. It will be an intellectual center, for no one understands the Income Tax Law except persons who have not sufficient intelligence to understand the questions that arise under it.

— Elihu Root

The income tax created more criminals than any other single act of government.

— Barry M. Goldwater

The hardest thing in the world to understand is the Income Tax.

— Albert Einstein (attributed)

Trying to understand the various exempt organization provisions of the Internal Revenue Code is as difficult as capturing a drop of mercury under your thumb.

— Stephen J. Swift



## COMMENTARY / TAX QUOTES

Tax laws intended to encourage charity have had the unintended effect of spawning a foundation priesthood funded into perpetuity and insulated from public accountability.

— *The Wall Street Journal*

The tax law is six times longer than *War and Peace* and not nearly as easy to read.

— Michael J. Graetz

Complexity does not enter the tax code so much out of malevolence as through misguided reform efforts and excessive demands made on tax laws as the vehicle for implementing public policy.

— Sheldon D. Pollack

I'm convinced that, if you use income as the base of taxation, you have inherent in the system a magnet that draws all kinds of complexities. That's what I think we've learned from history — that you cannot keep a simple income tax.

— Bill Archer

The notion that taxes should be simpler is one of the very few propositions in tax policy that generates almost universal agreement. The fundamental paradox of tax simplification is that despite this consensus, almost every year tax rules become more complex.

— William G. Gale

The tax code has just grown so complex and so ugly, like an unkempt hedge or lawn that never gets mowed.

— Alan Blinder

It is time to start over from scratch and develop a new tax system in the United States. It must be a system that is designed on purpose, based on a clear and consistent set of principles, which everyone in the United States can understand.

— William Simon

The greatest tax simplification would be to have the law remain settled for several years so we could all catch up.

— Sheldon S. Cohen

The problem is not just that the law is overly complex. The problem is also that we change it all the time.

— Gordon D. Henderson

I hold in my hand 1,379 pages of tax simplification.

— Delbert L. Latta

Our tax law is a 1,598-page hydra-headed monster and I'm going to attack and attack and attack until I have ironed out every fault in it.

— Vivien Kellems

The first 9 pages of the Internal Revenue Code define income; the remaining 1,100 pages spin the web of exceptions and preferences.

— Warren G. Magnuson

If we don't do something to simplify the tax system, we're going to end up with a national police force of internal revenue agents.

— Leon Panetta

The rise in complexity of the tax laws cannot be attributed solely to an increasingly complex economy and business world. Rather, the tax laws themselves contributed to the complexity in the business world.

— Sheldon D. Pollack

It is impossible to simplify the tax code without at the same time affecting the fairness of the tax code.

— William G. Gale

We cannot lose sight of the fact that complexity is the result of our struggle for fairness.

— Margaret Milner Richardson

Revenue laws are notoriously not expressions of an ordered system of reason and fairness. There has probably never been a revenue statute which, by design or oversight, has not favored some groups and laid the basis for a claim of unfairness to others similarly situated.

— Felix Frankfurter

There is no simple tax, at least no simple tax that is also fair.

— Joel Slemrod

The complexity of our [tax] code in the main is not there because of some mischief. Most of it is there in the effort to do more perfect justice.

— Russell B. Long

A tax system, to be workable in a democratic country, must in general appeal to the sense of fairness of the people.

— Roy Blough and Carl Shoup

We can't afford a fair tax system, so we go with an unfair one.

— Gerry Padwe

There is no tax which, in its essence, is more just and equitable than an income tax.

— John Marshall Harlan

Where there is an income tax, the just man will pay more and the unjust less on the same income.

— Plato

The need for a progressive tax system is imprinted on the American DNA.

— James Q. Riordan

The moment you abandon . . . the cardinal principle of exacting from all individuals the same proportion of their income or their property, you are

at sea without rudder or compass, and there is no amount of injustice or folly you may not commit.

— J.R. McCulloch

The American Tax system is supposed to be progressive. Yet, for the very rich, nothing could be further from the truth.

— Dorothy A. Brown

Since the purpose of the tax code is to raise revenue, it has as its core mission the objective of making people poorer. The central question is: who?

— Douglas Holtz-Eakin

Imagine a banquet attended by 100 random Americans. If the bill for the meal is distributed like the income tax, the richest person in the room is required to pay one-third of the tab — or more than all 50 attendees with a below-average income. The three richest people are charged as much as the other 97. And the 30 or so lowest-income people in the room . . . pay nothing and eat for free.

— *The Wall Street Journal*

[The Tax Code] is a monstrosity and there's only one thing to do with it. Scrap it, kill it, drive a stake through its heart, bury it and hope it never rises again to terrorize the American people.

— Steve Forbes

[The Tax Code is] a disgrace to the human race.

— Jimmy Carter

Loophole: To liberals, any provision of the tax code that fails to claim money earned, inherited, saved, or otherwise pocketed by known taxpayers.

— *The Conservative's Dictionary*

Everyone who has anything to do with the tax code agrees it's just an unbelievable mess.

— Paul H. O'Neill

## COMMENTARY / TAX QUOTES

We have to get a hold of the tax system and remake it so that at the very least we can remove the sense of agitated grievance that marks our daily economic life . . . .

— Peggy Noonan

*Enact Fundamental Tax Reform:* Adopt a simple and fair single-rate tax system by scrapping the internal revenue code and replacing it with one that is no longer than 4,543 words — the length of the original Constitution.

— Agenda Item Number Four  
of Tea Party's Contract From America

The tax code is like daytime television — almost anything done to it would improve it.

— George Will

Two things are abundantly clear. One, tax simplification is desperately needed. Two, any effort is likely to be an unmitigated disaster.

— Jonathan Clements

Just because the Tax Code allows an action doesn't necessarily make it a good idea.

— Jane C. Nober

How could we, in a free society of a bunch of Christians, have the worst, most unjust tax structure that you could ever have dreamed up?

— Susan Pace Hamill

Never trust a member [of the U.S. House of Representatives] who quotes the Bible, the Internal Revenue Code or the Rules of the House.

— Eugene McCarthy

For many, tax law is like the Ten Commandments. They pick eight out of the ten rules to follow, decide that they are doing a really commendable job, and just forget about the rest.

— Terence Floyd Cuff

Our tax code is perhaps the second most remarkable book in Western civilization. Of only one other book can it be said, with equal conviction, that great minds have devoted countless hours to the scrutiny and learned exegesis of every passage; that differing interpretations of the text have given rise to some of humanity's most epic struggles; and that, while millions mine it for valuable insights and inspiration, those who claim to live by the book and follow its precepts probably far outnumber those who actually do so.

— J. Mark Iwry

The U.S. income tax turns 100 this year. And for the first time, despite my long affection for it, I'm thinking that it may be time to begin retiring it.

— Christopher Bergin

An old tax is a good tax.

— Old Folk Saying