

# *Constitutional Taxation*

Perhaps I should preface a discussion on revenue sources and potential tax schemes with the following observation: We must remember that no conceivable revenue stream could possibly be sufficient unless we elect representatives that will keep all of their actions within the limits, scope, and bounds established and defined in the plain English words of the United States Constitution. The unmet and ever-expanding requirements for federal revenue could grow exponentially beyond any reasonable expectation of ever being met by any possible source of funding if we continue to violate the Constitution in our desire to expand the scope and power of the national government. We must restore our national government to its original sphere and keep our actions within the founders' original intent of a government with limited powers that are specifically enumerated if we are to ever be able to have any reasonable expectation of paying our nation's bills.

That said, perhaps the following brief explanation will help expose the Founding Fathers' view of appropriate taxation.

Of course, the founders' position on revenue sources is well known to students of the matter. In Federalist No. 45 James Madison elucidated the issue in a most succinct manner, saying:

"The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite. The former will be exercised principally on external objects, as war, peace, negotiation, and foreign commerce; with which last the power of taxation will, for the most part, be connected. The powers reserved to the several States will extend to all the objects which, in the ordinary course of affairs, concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the State."

So, the founders considered the primary source of tax revenue for the nation to be associated with imposts and duties collected on goods imported into the nation. In addition, it should be noted that "All Duties, Imposts and Excises shall be uniform throughout the United States" (U.S. Constitution, Article 1, Section 8, clause 1).

When the import duty revenue source fell short of the nation's needs, the United States Constitution provided another potential revenue source: "No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken." (See Article 1, Section 9, clause 4; and refer back to Article 1, Section 2 which read: "Representatives and direct Taxes shall be apportioned among the several States which may be included within this union, according to their respective Numbers...").

Taxes were to be uniform, and if required, the national government was to "bill" the States their share of the required revenue stream on a per capita basis, not some wealth-based sliding scale scheme such as what Marx proposed. The money the States were to raise when billed by the national government was based upon a State's population, and the manner in which the States

raised the required revenue was left to the discretion of the individual State legislatures. That is one of the reasons the Constitution kept a "seat at the table" for the States in all national matters, including matters pertaining to expenditures. The senators were to be chosen by the State legislatures and to represent the State's interest at the national level-until the ill-advised 17th Amendment destroyed that marvelous delicate balance of power. The States were to have a say in the spending of money (and, consequently, the potential tax burden of the people within their State), and the senators were to prevent the profligate spending and deficit mentality that has plagued the nation since the Seventeenth Amendment. (See U.S. Constitution Article 1, Section 3, clause 1 [pre-Seventeenth Amendment]; and Article 1, Section 7, clause 1).

Of course, the Founding Fathers also obtained revenue for the nation by selling land obtained through the treaty process. During his administration, Andrew Jackson retired the national debt primarily by selling federal land. In spite of devoted efforts by his predecessors, Jackson's accomplishment marks the only time the nation has been debt-free.

The founders' revenue-producing formula outlined herein has a proven track record, and it will work again if we are willing to return to and vigorously apply that original formula as defined in the plain English words of the United States Constitution.

- Scott N. Bradley