

IS TAX THEFT?

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ABSTRACT: In this essay, I will argue that our only property rights are not natural but instead arise from our social structure (that is to say, we only own properties that we own legally) by showing how this view is beneficial to a society. This conclusion will lead to the further claim that we do not have a moral claim over our full pre-tax income. Therefore, taxation is not moral theft.

Keywords - taxation, justice, theft, Social Constructivists

I. INTRODUCTION

Acts can be theft in a legal sense or a moral sense. If taxation is legal theft, then taxation is not legally allowed and the government commits a crime when taxing its citizens. This is clearly not the case because taxation itself is prescribed by the law. Therefore, tax can only possibly be categorized as theft in a moral sense. Morally, an act is theft if one takes away something that someone else ought to have a moral claim over, although they might not own this property in a legal sense. According to a popular moral assumption, tax is theft because citizens ought to have full moral claim over their pre-tax income. Thus, the question “Is tax theft” is intimately related to further questions that I will seek to answer in this essay: do we have a moral claim over our income? In other words, do we have natural property rights to it? Does our government have any claims over our income?

In this essay, I will argue that our only property rights are not natural but instead arise from our social structure (that is to say, we only own properties that we own legally) by showing how this view is beneficial to a society. This conclusion will lead to the further claim that we do not have a moral claim over our full pre-tax income. Therefore, taxation is not moral theft.

In the first section below, I will explain briefly why a view is morally true when it is beneficial to a society, and take this as the premise of my further arguments. In the two sections following, I will argue that the view of non-natural property rights is beneficial because it is more realistic to be practiced than natural property rights and it brings social justice.

II. A VIEW IS MORALLY TRUE WHEN IT IS BENEFICIAL

Whether a view is morally true depends on its ability to produce the most good. Because moral judgments, whether being objective or subjective, are always related to and used to serve human life and society, the morality of an action shall be only understood in terms of the consequences it produces for human life and society. Thus, what ought to be true is morally true and there are no moral truths beyond that.

In this context, the view of non-natural property rights is morally true if only it produces good consequences such that it is easier to be practiced and it brings social justice. For the sake of convenience, I will refer to the view of non-natural property rights as social constructivism in the following sections. According to Social Constructivists, property rights are not natural, but can arise only from societies and their laws: “We create property rights, by setting up legal institutions to ensure that people have certain legal rights over the material world.” [1]

III. THE UNREALISTICNESS OF PRACTICING NATURAL PROPERTY RIGHTS

The existence of society itself necessitates the unrealisticness of practicing what the view of natural property rights proposes. According to the view of natural property rights, every right-holder should have a set of universal and inalienable rights. A right-holder cannot exercise a right that excludes or alienates the equal moral claim of other people, because all human beings enjoy rights that are strictly equal and “accrue to beings

if they are human and are theirs so long as they are human.” [2]
However, this is too idealistic to apply to an actual society.

First, since individuals in modern societies are largely dependent on complex social operations, they usually engage in exchanges of properties involuntarily. Hence, even if everyone possesses the same resources as everyone else, this balance will not be sustainable. Social interactions will inevitably upset this balance. For example, properties can be transferred through inheritance.

Imagine several parallel scales, representing time, are each being divided up into multiple small rectangular pieces, and liquid, representing properties people own, can flow between the scales to make a piece bigger. The first column of pieces are all of the same size, because of the equal distribution of properties; however, we cannot check constantly to make sure that the liquid flows evenly between every scale, so some pieces in the middle get bigger with the contingent flowing of liquid, and the starting point of the same row of pieces are no longer equal.

Furthermore, without social and legal structures that give definitions, “equal moral claim” does not have any real meanings to it. Properties are of countless different types; how can everyone own the exact same quantity and quality of every type of property? We must define and all agree on what it means specifically to share natural resources evenly, and make the benefit universal. Evidently, the two conditions of this – “to define specifically” and “to reach a consensus” can be very hard to satisfy, and it will be even more futile to make a plan of distributing resources that is relatively unimpeachable. Therefore, in the theory of natural property rights, making everyone have “equal moral claim” over properties is only staying at the stage of theory. The lack of a standard method to measure this equal right not only deprives us of the entire implementability of supervising and adjusting the distribution of properties once the share of resources becomes unbalanced, but also makes it impossible to start this distribution in the first place.

This view that all natural resources should be distributed equally is the left wing libertarian view. The right wing libertarians, on the other hand, also support natural property rights, with the only difference being that they think a property should belong to whoever first discovered it or attained it fairly from the person who first discovered it. According to this view, the market distribution of wealth respects people’s voluntary choices about their properties which they have a natural right to, so it is morally crucial and reflects their ownership of the properties. However, this only happens when the market is completely free. This is when the market is not subjected to government intervention and is completely regulated spontaneously by the law of value of the products. And this is seldom the case. When there is a minor external intervention such as a transfer payment enforced by the government, the market will no longer be the real reflection of people’s voluntary choices, and thus not of their moral claims over properties (since in this view, having voluntary choices of their properties is an important precondition of having moral claim over them). Hence, the conditions of the right wing libertarian view is also almost too strict to be achieved in the real world.

The impracticality of enforcing natural property rights is detrimental, because property rights and taxation are not just problems in the abstract world. Therefore, only social constructivism, being the opposite of the theory of natural property rights, is realistic to be practiced.

IV. SOCIAL CONSTRUCTIVISM AND JUSTICE

The property rights of individuals are important to social justice because the latter can only be constructed with an effective theory of the former. Therefore, a method to determine whether a view regarding property rights is rational and beneficial to the society is to measure the extent to which this view can help realize social justice. In this section, I will utilize the 2 Principles of Justice that are famously proposed by John Rawls in his book *A Theory of Justice* as the metrics [3]:

1. Justice is fairness of basic rights and liberties
2. Social and economic inequalities can only happen when
 - 1) Everyone has an equal opportunity to gain this privilege
 - 2) This inequality can create the most benefit for the disadvantaged

Social constructivism satisfies the first condition of social justice by its definition that property rights are determined by the social structure and law. A social structure is founded upon social interactions, upon the system within which people in this society seek to live. Law is formed in the same way, but with more rational considerations and with a clearer purpose of establishing and regulating the basic rights and liberties

of citizens. Admittedly, these basic rights and liberties are still subject to people's subjective thoughts, and thus cannot be perfectly impartial; however, "fairness" refers to a relative impartiality that involves more voluntary interactions with other individuals rather than an absolute unbiasedness, so social structure and law can be counted as demonstrating "fairness" to a comparatively high extent.

Even if the law and social structure of a society cannot guarantee this basic level of unbiasedness, it does not mean that social justice cannot be achieved. When evident social and economic inequalities do exist, we shall consider the second principle of justice which proposes the conditions of the coexistence of social justice and social inequalities.

Social constructivism does not seemingly satisfy the second condition. The problems of the left wing libertarian view re-arise here: it is impossible to ensure that everyone always starts at the same point in the race for a position that creates privilege. Nevertheless, social constructivism makes it flexible enough to allow us to approach these two parts of the condition. As explained above, the contents of social norms are subjective to people's subjective thoughts. Hence, laws and social structures can be artificially adjusted and thus approach perfection over time. For example, when people do not have equal access to properties, taxation is created by the human society to redistribute wealth and to make people be in the same position as much as possible. With respect to the second part of this principle, a common objection is that it is hard to define "the disadvantaged", so it is impossible to measure the benefit this inequality can create for this group of people. However, this problem can also be solved given social constructivism, benefiting from the flexibility of it. Despite the ambiguity of the objective definition of the "disadvantaged", people can draw their own conclusions based on what they observe and experience subjectively – this is how they decide who they donate to, for example. This is what gives social constructivism a moral value – only when property rights are determined by social structures are they authentic, practical, and valuable for the development of a society.

In short, the property rights defined by social constructivism can help us to approach social justice, even if we never reach perfect justice.

V. CONCLUSION

Thus far, I have contended that only social constructivism, or the view of non-natural property rights, is realistic to be practiced and that it is able to help realize social justice. Based on the premise that a view is morally right if it is beneficial, it is thus true that we do not have natural property rights and only own properties which we are legally entitled to own. Therefore, since we are not legally entitled to own our pre-tax income, we do not have a moral claim over it, which means that tax is not theft.

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