

More Than a Paycheck REFUSING to PAY for WAR

October | November 2013



30 Years of Resistance

Y tú, ¿has sido obediente? Resistance in Spain

"The people are afraid to disobey, but if nobody had done so before there would still be slaves on the streets and blacks would be standing in the back of the bus," says Arcadi Oliveres, professor of Applied Economics at the Autonomous University of Barcelona and president of the organization *Justícia i Pau*. Oliveres was one of the first war tax resisters in Spain, helping to launch the movement there in the early 1980s. He is quoted in an interesting article with the title above ("And you, have you been obedient?") in the July 2, 2013, edition of the Spanish magazine *Números Rojos*. Blogger, author, and WTR activist David Gross translated the article and is following continuing developments in the Spanish tax resistance movement.

The article starts with an overview of the war tax resistance movement in Spain, where resisters add a deduction to their tax returns based on a percentage or a symbolic amount of Spain's military spending (ranging from 6–15%). This amount is always redirected to an institution for social good. As in the U.S., sometimes nothing happens and sometimes the resister is caught and the money is seized. At times, such as around the invasion of Iraq, there have been as many as 5,000 war tax resisters in Spain. The article also describes the impressive 2006 case of former Catalonia Parliament deputy Joan Surroca, who in 1998 gave his resisted tax money to an NGO that assists African women. The treasury fined him, Surroca appealed, and eventually the court found in his favor, ruling that by sending his resisted taxes to an NGO Surroca did not intend to profit from his action.

While war tax resistance continues in Spain, the article points to some interesting new trends. The Right of Rebellion movement released a "Manual of Economic Disobedience," a document intended for "all of



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War Tax Talk

NWTRCC blogs! Some of us are dragged kicking and screaming into the age of "tweets" and "instant messaging," so for those of you who only read what comes in the mail, here's a helpful definition from the online source Wikipedia: "A blog (a contraction of the words web log) is a discussion or informational site published on the World Wide Web and consisting of discrete entries ('posts') typically displayed in reverse chronological order."

So, some of us in the NWTRCC network are "discussing and informing" with short "posts" at nwtrcc.org/blog. Right now you can read about the day 10 envelopes from the IRS filled my mailbox, Erica Weiland's ideas for "Tiny ways to start WTR," the good news about frivolous filing, and more!

If you have a WTR story that you think would be good for our posts, please send it along. Yes, you can send it in the mail, and we'll launch your story into cyberspace too.

And, if you are online don't forget to like us on Facebook, follow us on Twitter, and join our Riseup listserve." You'll find the links at nwtrcc.org.

—Ruth Benn

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More Than a Paycheck REFUSING to PAY for WAR

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Production Rick Bickhart

Printing and Mailing

Lakeside Printing Cooperative
Madison, Wisconsin

Printed on Recycled Paper

More Than a Paycheck: Refusing to Pay for War is a bimonthly publication of the National War Tax Resistance Coordinating Committee, a clearing-house and resource center for the conscientious war tax resistance movement in the United States. NWTRCC is a coalition of local, regional and national affiliate groups working on war tax related issues.

NWTRCC sees poverty, racism, sexism, homophobia, economic exploitation, environmental destruction and militarization of law enforcement as integrally linked with the militarism which we abhor. Through the redirection of our tax dollars, NWTRCC members contribute directly to the struggle for peace and justice for all.

Subscriptions are \$15 per year.

NWTRCC

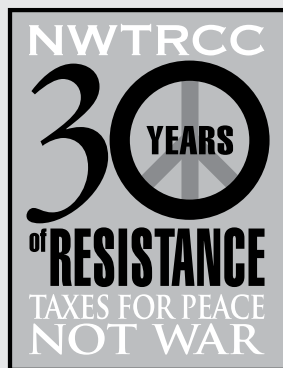
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Counseling Notes

File with A Letter and Without Fear

The previous issue of this newsletter reported our breakthrough with the IRS as regards enclosing a letter protesting war taxes when you file a 1040. There should no longer be any threat of a frivolous filing penalty if the form is accurate (no protest messages or deductions written on the form) and you've enclosed a letter—whether or not you pay the tax due. A memo released on August 16, 2013, by the Office of Chief Counsel of the IRS entitled, "Application of Section 6702 Penalty to Taxpayer Who Files a Return with War Complaint," clarifies the process for IRS workers who handle frivolous penalties. We quoted from a draft of the memo in our previous issue and that text did not change. The memo can be read in full from links on the NWTRCC website, or call the NWTRCC office if you would like a copy mailed to you.

War tax resisters are warned to be wary of responding to IRS letters or demands for payment with further protest letters though. The IRS code states the \$5,000 frivolous penalty can apply to "persons who submit a 'specified submission' (namely, a request for a collection due process hearing or an application for an installment agreement, offer-in-compromise, or taxpayer assistance order)" or if any portion of the specified submission reflects a desire to delay or impede the administration of Federal tax laws.

Online Accounts

A quick web search shows concern from many people about third party transaction hosts, like Paypal or auction sites like Ebay, reporting income to the IRS. They do, based on Internal Revenue Code (IRC) Section 6050W. A 1099-K is issued for U.S. account holders whose payments exceed both of these levels in a calendar year: \$20,000 in gross payment volume from sales of goods or services in a single year and 200 separate payments for goods or services in the same year.

Stories about IRS seizures of income from online donations and sales are likely to pile up in the coming months and years. We had heard first from Cindy Sheehan that donations to her Paypal account were seized a few months ago. During the summer, Los Angeles blogger and war tax resister Arthur Silber put out a call for help after his Paypal account was seized. He apologized to his donors for not transferring the money out of his online account before the IRS took the donations. Silber has been negotiating with the IRS, but is still struggling economically, and his August 20 post updates his situation and links to background on the story: powerofnarrative.blogspot.com.

Another blogger who writes the Daily Paul Liberty Forum, dailypaul.com, wrote on September 6:

I guess it was only a matter of time, but the IRS is coming after Claire and I over some back taxes which we simply do not have the money to pay. No doubt they are looking to go after everyone else trying to stop the rush to war with Syria. Our PayPal account has been seized, so don't bother sending in any more donations....

Like any bank account with your social security number on it, if you have a tax debt the IRS may find the account and seize the contents. ●

Many Thanks

To everyone who has donated or renewed their subscription in recent months.

For keeping up with affiliate dues we are grateful to:
War Resisters League, New York

For a grant of resisted war taxes, we are grateful to:
Southern California War Tax Alternative Fund
(see page 4)

Network Updates

We are currently updating the online and print version of our Network List of Affiliates, Area Contacts, Counselors, and Alternative Funds. If you have not already, please contact the NWTRCC office with any changes to your contact information or if you would like to change your status.

If you are interested in joining the network—we can use more contacts in all categories—please let us know. Each category is described on this web page: nwtrcc.org/join_us.php.

The Network list is online at nwtrcc.org/contacts_counselors.php or request a printed list by mail from the NWTRCC office, nwtrcc@nwtrcc.org or toll free: 1-800-269-7464.

Resisting the Lies that Make War Possible

By Randy Kehler

"In war, truth is the first casualty," wisely opined the Greek dramatist Aeschylus. And as we have seen, over and over again, when truth becomes a casualty, secrecy becomes the modus operandi, openness and transparency the enemy, government accountability a myth, and acts of conscience proof of treason. This has been especially clear in recent times, in relation to Julian Assange, Bradley Manning, Edward Snowden, Laura Poitras, Glen Greenwald, and others who have risked their lives to seek and speak the truth about the conduct of U.S. wars and military "operations," and, more recently, about secret government surveillance programs that are often used as means to carry out these wars and covert operations.

Since crimes of war—or, more precisely, the crime of war—is the central concern that drives most of us to be war tax resisters, it makes sense that we should also be concerned about government secrecy and covert activities. I myself have sometimes found deliberate lying by government (and also corporate) officials to be even more odious and personally enraging than the harm and human suffering it is meant to cover up.

As a Vietnam era draft resister and a nearly lifelong war tax resister, I've learned a few things about how to resist war itself. What seems harder is resisting government (and corporate) secrecy and lying, whether it undergirds actual wars or other, seemingly "bloodless," crimes of state.

One example of government crimes covered up by ongoing secrecy and lies that is now coming back into focus has to do with the assassination of President Kennedy. November 22 of this year marks the 50th anniversary of Kennedy's murder. Although neither I nor the majority of the American people, judging from opinion polls, have ever accepted the official conclusion of the government-appointed Warren Commission that JFK was killed by a single "lone nut" named Lee Harvey Oswald, until a couple years ago I'd not spent much time thinking about it.

That changed when I read an extremely compelling, page-turner of a book by longtime war tax resister, disarmament activist, and Catholic Worker James ("Jim") Douglass. His widely-acclaimed *JFK and the Unspeakable: Why He Died and Why It Matters* (Simon & Schuster, 2010, pb) is based on ten years of meticulous research, including examination of government records not previously available to the public.

I was not surprised that the book lays out clear and seemingly unassailable evidence that Kennedy was killed by forces within his own government (the CIA principally). What did surprise me was the "why." Having long regarded Kennedy as little more than a young, charismatic representative of America's privileged elite who was, essentially, just another "Cold Warrior," I was amazed to learn, for example, that while

Kennedy was certainly no saint, as Douglass makes clear, and did begin his presidency as a "Cold Warrior," he went through a dramatic but little-known shift in his thinking.

This shift resulted, in large part, from his loathing of the CIA for having tried, unsuccessfully, to trap him into supporting their disastrous "Bay of Pigs" invasion of Cuba in 1961 and his horror during the Cuban Missile Crisis of 1962 when his generals and national security staff were prepared to launch an all-out nuclear attack on the Soviet Union.

These crises and several other, related developments caused him to fire the head of the CIA, the powerful Allen Dulles; initiate back-channel communication with Fidel Castro aimed at defusing the U.S.-Cuba hostility; initiate a secret and well-documented correspondence with his "arch enemy" Nikita Khrushchev (in which both men acknowledged that their

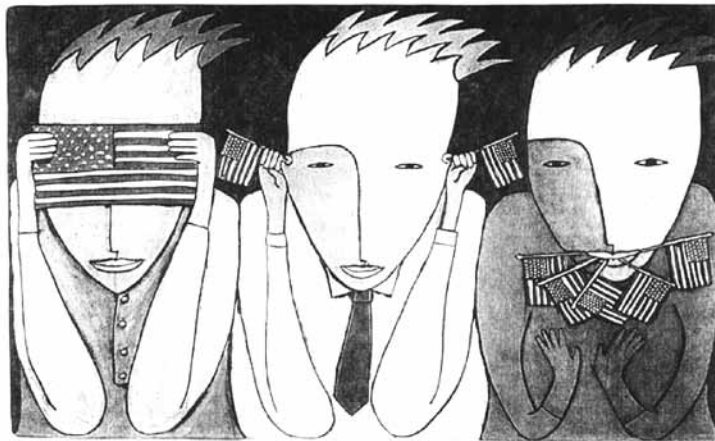
military leaders were driving them toward nuclear war and that each needed the other's help to avert it); propose in his famous American University speech of June 1963 that the nuclear arms race be wound down and the Cold War ended; and order the withdrawal of 1,000 U.S. military personnel from Vietnam by the end of 1963 and "the bulk of U.S. personnel...by the end of 1965" (an order that was rescinded shortly after his assassination).

In short, Kennedy was at complete odds—one might say he was at war—with the Pentagon, the CIA, and virtually his whole national security staff. And he was refusing to back down. In retrospect, the "why" of his assassination is obvious.

Although there isn't space here to go into it, further reading and study has persuaded me that the three other assassinations of influential leaders that followed in the wake of the JFK assassination—of Malcolm X (February 1965), Martin Luther King, Jr. (April 1968), and Robert Kennedy (June 1968)—also had the fingerprints of the U.S. national security apparatus all over them.

But what to do about all this? Fortunately, Court Dorsey, an actor, theater director, and playwright as well as war tax resister, has come up with one thing many of us can do. He has written a play called *Project Unspeakable* that deals with all four assassinations and their relevance for today. His hope (and that of those of us who've been helping him organize this project) is that the play will "go viral"—a-la-plays like *The Laramie Project*, *My Name Is Rachel Corrie*, and *The Vagina Monologues*—and, starting this November 22, will be performed or read aloud in hundreds of venues, from living rooms and libraries to theaters and auditoriums, all over the country.

Our further hope is that *Project Unspeakable* will stimulate awareness and vigorous discussion not only about what happened 50 years ago, but, more importantly, about what's happening today in terms of the



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Tax Resistance Ideas and Actions

So. Cal. Grants to Constructive Projects

The Southern California War Tax Alternative Fund announces its Summer 2013 grants of \$600 each to five organizations working for peace and social justice.

The Fund, established in 1979, is comprised of monies participants have refused to pay in U.S. taxes as part of their opposition to warfare and its preparations, and with the intention of using the monies instead for social-environmental needs and campaigns for those causes. The annual granting of interest on the Fund to constructive projects is the redirection of human and environmental resources from war to constructive uses, something we would like to see governments do! Until that happens, Fund participants are the "peace Congress people."

This year's grantees are:

Nevada Desert Experience: Education and activism about warfare and nuclear weapons, and campaigning for nuclear disarmament, nevadadesertexperience.org.

Project YANO (Youth and Non-military Opportunities): Showing youth opportunities for constructive life-plans without participation in the military, projectyano.org.

9-to-5: Organizing for equal rights and pay for women and for workers' rights and social benefits generally, 9to5.org.

Interfaith Communities United for Justice and Peace: Educational programs, vigils, and creation of resources to use in peace and justice work, icujp.org.

NWTRCC: Thirty years working to supply resources, information, and coordination to war tax resistance groups and individuals interested in that traditional form of peace action, nwtrcc.org

For information about the Southern California War Tax Alternative Fund and Southern California War Tax Resistance, see so-cal-war-tax-resist.org, or contact Cathy (408) 206-7922 or Joe (323) 660-4992.



Activists during rush hour on a bridge in Portland, Oregon. Photo by Al Stern.



Still a Penny

We're a little late with our congratulations, but the May 2013 issue of *The Catholic Worker* celebrated its 80th Anniversary Issue—or at least 80 years since its first issue. The expanded 12-page edition includes a sampling of writings on many topics over the years: the Scottsboro Case from May 1933, farm workers' organizing in 1973, housing issues in 2005, and this statement in the issue's introduction:

In this fast-paced, technology-obsessed world, our commitment to the craft of putting together an eight-page newspaper to call "attention to the fact that the Church has a social program" is so old it looks new. We carve out an uneasy path around mandatory postal regulations and bureaucratic city agencies. We try to push back against hyper-technology and the destruction of the planet. And we cry out against war-making. We use the nonviolent practices that have survived the test of time—prayer, fasting and voluntary poverty. We continue to rely on the Grace of God, the wisdom of Peter Maurin and Dorothy Day, and the generosity of our readers.

This issue also includes a full list of Catholic Worker communities around the world. For those of you coming to the NWTRCC gathering in NYC in November, we will be starting our gathering Friday evening at Maryhouse, home of *The Catholic Worker*. Who knows, you might even get to paste some labels and bundle some copies of the latest issue!

90 Years and Counting

War Resisters League, one of NWTRCC's founding organizations and an active affiliate, is celebrating its 90th year. "Revolutionary Nonviolence: Building Bridges Across Generations and Communities," was the theme of the anniversary conference held in August at Georgetown University in Washington, DC. The four-day conference was true to its title, bringing together activists working on a range of topics, from drones to civil liberties to prisons to uranium mining to



Tax Resistance Ideas and Actions

racism to global capitalism, while focusing on all the ways that these issues intersect. It was a packed schedule, and most attendees are probably still working through what they learned and how to build those bridges and create a stronger peace and justice movement.

An overview of the WRL's history includes many references to war tax resistance and resisters. The radical war resisters who came out of



"In relation to the case in West Papua, what I really like to suggest to my friends here in the U.S. is please tell your government to stop their military training and funding to Indonesian military. I believe that your tax is being used for this kind of training and funding, so if you oppose to pay the tax for war, I think it also helps West Papua."

—Rosa Moiwend, activist in West Papua, speaking at the WRL conference.

Photo by Ed Hedemann.

prison after World War II made the connection between their refusal to fight and the question of paying for war. WRL's Executive Committee minutes from July 12, 1948, show the group dipping their toes into this nonviolent direct action: "Be it resolved that the League give moral support to Caroline Urie, Amon Hennesy, Marion Coddington, Miriam Keeler, and others for their refusal to pay income taxes to support war."

Sustaining an organization over 90 years is no small task, but the War Resisters League continues to be a strong voice for nonviolent activists in the wider movement. WRL's Facing Tear Gas campaign is designed to end U.S. production and export of tear gas in solidarity with global nonviolent uprisings and those facing U.S.-backed repression everywhere, including here at home. For more information see facingteargas.org.

The 90th anniversary celebrations continue with a party and 48th annual Peace Award ceremony on October 18 in New York City. Harry Belafonte, Joan Baez, and Daniel Ellsberg will be honored for their powerful and enduring peace and justice work.

For more information about WRL activities see warresisters.org or call 212-228-0450 and ask for a packet of information. ●

Resources

Book Sale Now \$10 each:

A Persistent Voice: Marian Franz and Conscientious Objection to Military Taxation, edited by David R. Bassett, Steve Ratzlaff, and Tim Godshall (2009) From 1982 to 2005, Marian Franz led the National Campaign for a Peace Tax Fund. This book compiles the best of her inspiring and informative newsletter columns. Among the other essays is one by NWTRCC coordinator Ruth Benn.

War Tax Resistance: A Guide to Withholding Your Support from the Military, edited by Ed Hedemann and Ruth Benn (2003 with 2013 update). This most comprehensive guide covers information on the federal budget, history and personal stories, methods, consequences, profiles of international groups, organizing, and more.

Please include postage: \$5 first class, \$3 media mail

Unique Teaching Tool

Thoreau and His Heirs

The History and the Legacy of Thoreau's "Civil Disobedience," Study Guide and Kit

With this study kit, students will see how Thoreau's actions and writings have inspired countless people around the world for more than 160 years, including individuals who today are refusing taxes and risking jail to protest war. If you teach high school or college classes on activism, Thoreau, or war needing a peace perspective, order "Thoreau and his Heirs." The kit includes a *Death and Taxes* DVD, Thoreau's essay, questions for students, and a select list of historic civil disobedience actions.

\$30 postpaid, or read and download the pieces at nwtrcc.org/thoreau.php.

DVD only: sliding scale \$10–\$20 each, includes postage.

To order send a check made out to NWTRCC to PO Box 150553, Brooklyn, NY 11215, or pay online through WePay or Paypal (use the comment section to list your order or send an email). Call (800) 269-7464 with questions or for a resource list by mail.



"Death and Taxes is full of statements that anyone who's for human rights should know, whether or not they become resisters. NWTRCC is one of many diverse groups that resists the massive human suffering caused by capitalist production, in their case—constant wars. I hope more people will get the opportunity to see Death and Taxes."

— Kei Utsumi, Los Angeles, CA

“Retooling for the Work Ahead”

National War Tax Resistance Gathering & Coordinating Committee Meeting

New York City · November 1–3, 2013

Begins Friday, Nov. 1, 5 pm, Catholic Worker Maryhouse, 55 East 3rd Street

Saturday/Sunday: Sixth Street Community Center, 638 East 6th Street

With its 30th anniversary in 2012, NWTRCC took time to celebrate and review war tax resistance activities of the past. Now it's time to get serious about how war tax resistance plays a role in the wider peace and social change movements. Technology has forced us to change the way we do many things; does our style and message need retooling too? Friday evening and Saturday morning will address these questions. Saturday afternoon will include a basic “how to” session for those new to war tax resistance, an update session for current resisters, and other workshops. There's plenty of time over the weekend



Sculpture at the UN. Photo by Ed Hedemann.

to share stories and learn from other war tax resisters from around the country. If you plan to come for the weekend and need housing, please register as early as possible or by October 15.

More details and the registration form are online at nwtrcc.org/meetings.php, or call 800-269-7464 to ask for materials in the mail.

Summer Appeal Thanks

Our Summer Fund reached a total of \$2,895 by the August 31 deadline—just \$105 short of our \$3,000 goal. That's a great boost for NWTRCC during the summer months, because the bank account gets pretty low by the time we get to September. We are very grateful to the 34 donors who helped push the thermometer up on our fund drive—and to all of you who support NWTRCC in whatever way you can. It promises to be a busy fall, with the gathering in New York in November and ideas generated by the Strategy Committee leading to some retooling of our message and materials. But however that develops, this era of endless war forces us to carry on in any way that we can. Thanks to your support NWTRCC will be here—at least a while more—to support you and our resistance.

Outreach Opportunities

Tabling for war tax resistance and NWTRCC is fun! Ben Maurer (right) had a good time at the NWTRCC table at NYC's Anarchist Bookfair in April 2013, and you can have a great time with others from NWTRCC this fall. We always have a table at the vigil and rally to Close the School of the Americas in Fort Benning, Georgia, sponsored by School of the Americas Watch. Join us the weekend of November 22–24. More information about the event is at soaw.org. If you would like to help with the NWTRCC table, please call the office, 1-800-269-7464, and we'll put you in touch with others who will be there. If you know of a conference

or action near you and would like literature for a table or to give out, just give us a call. Personal contact makes all the difference when it comes to teaching people about war tax resistance. ●

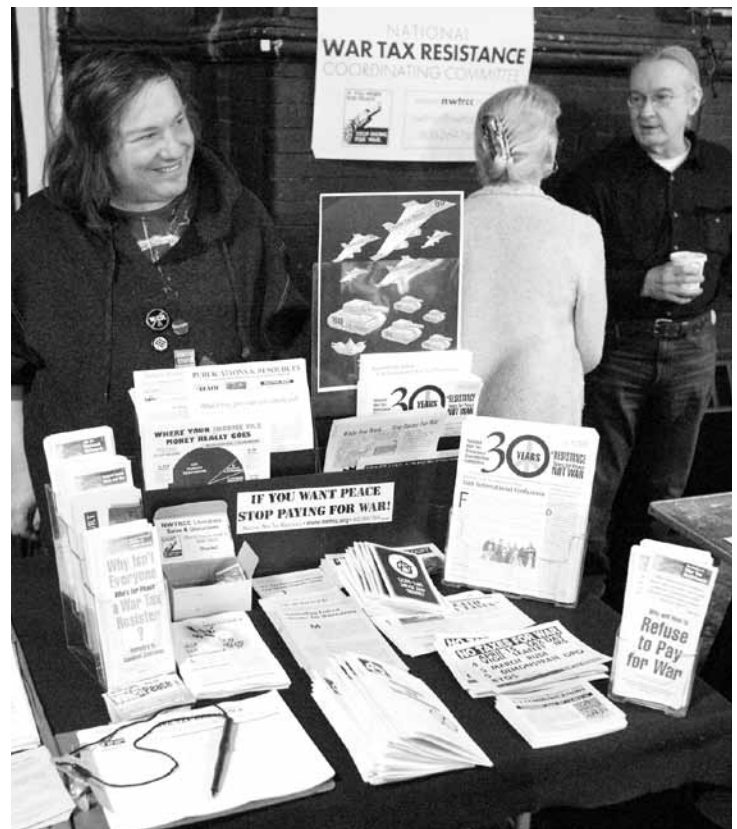


Photo by Ed Hedemann.

those people who would like to take steps to make their lives exemplars of their thought and feeling.” They encourage 30% tax resistance based on government spending that includes interest on the debt; payments for the monarchy, the Senate, the prisons, the police, or the church; and redirection to “autonomous projects that will be useful to meet the needs of the people.” Their 2011 campaign featured Offices of Economic Disobedience in various cities around the nation, offering advice to anyone who was interested in becoming a tax resister.

The “Manual of Economic Disobedience” calls for a permanent economic disobedience through shifting to a cooperative system of living. Comprehensive cooperatives possess a system of communal services, using alternative currencies and relying on self-financing social cooperatives to obtain credit without interest.

Another example of the new radical refusal is the “I won’t pay” movement with some 30,000 followers on social networking. As many as

60,000 people joined a rebellion against toll roads in Catalonia and refused to pay to use the road. Another call inspired hundred to resist transit rate hikes. Álex Corrones, the founder of “I won’t pay” says, “Not only do we believe that it is right to disobey laws that are unjust, but that it is our obligation as responsible citizens.” ●

To read the original article in Spanish go to blogs.publico.es/numeros-rojos/2013/07/02/y-tu-has-sido-obediente. These links will also be on nwtrcc.org.

To read David Gross’s translation of the article and other international news, go to sniggle.net/TPL/index5.php?entry=31Aug13. See also Sept. 18 and more recent entries.

The “Manual of Economic Disobedience” is online in Spanish at derechoderebelion.net/wp-content/uploads/2013/05/manual-desobediencia-economica_pags1.pdf. David’s blog for September 20 and following features his work on an English translation.

Resisting the Lies continued from page 3

machinations, secrets, and lies of the same, though ever more powerful, government entities and their corporate allies.

In short, *Project Unspeakable* offers at least one way in which we can begin to break through the deadening silence of the “unspeakable,” resist the secrets and lies that make war and other crimes possible, and help others muster the courage to do the same.

For more information or to receive a copy of the *Project Unspeakable*

script, please contact us at projectunspeakable@gmail.org and also check out our website projectunspeakable.com. ●

Randy Kehler was imprisoned for 22 months for draft noncooperation during the Vietnam War. He and his wife Betsy Corner are longtime war tax resisters whose home in Colrain, MA, was seized and sold by the IRS in 1991. The award-winning documentary An Act of Conscience documents these events and the 21-month vigil and protest outside the house.

Perspective continued from back page

6.2% of GDP. Other powerful groups—like the Pentagon—will look covetously on the resources devoted to the elderly.

Assuming its enemies fail in their efforts to dismantle the program, what will help the most to keep Social Security safe after 2035 is the fact that it’s a contributory system—not welfare. American workers retain a strong sense of ownership of their benefits—encapsulated in Franklin Roosevelt’s famous statement (in private) that, “We put those payroll contributions there so as to give the contributors a legal, moral, and political right to collect their pensions and their unemployment benefits. With those taxes in there, no damn politician can ever scrap my Social Security program.”

This political fact is literally a lifeline for millions. Over 50% of married and almost 75% of unmarried persons over 65 depend on Social Security benefits for over half their income, while 23% of married and 46% of unmarried retirees have almost no other income. Undermining that sense of ownership is the beginning of the end of Social Security—a fact well understood by its critics, who have relentlessly promoted the view that the program’s assets have been stolen, raided, commingled, that there is no trust fund and, implicitly, that working people have no “legal, moral, and political right” to anything.

The connection between Social Security and Medicare and the work of activist groups runs even deeper. Social Security and Medicare are social insurance programs—that is to say, state-run versions of mutual aid organizations, the traditional means by which working people have banded together to provide for each other’s social needs since the time of

the medieval guilds. In the 19th century, anarchist pioneers like Proudhon and Kropotkin saw mutual aid as the foundation of a new society that could dispense with the State, government, and war. I.M. Rubinow, one of the first prominent advocates of social insurance in the U.S., wrote, *Only when free from the harassing, inhibiting influences of fears, worries, uncertainties, can the human intellect function at its best, or at least normally. Only upon the foundation of fact and sense of economic security can there be built a normal social structure of a peaceful society.*

There are alternatives to State-run social insurance programs, of course. As a start, I’ve advocated rewriting the governance structures of Social Security and Medicare, devolving the trust funds into the control of community and workplace-based cooperatives that can harness the assets to fund sustainable local economies, using the proceeds to provide benefits. But we’re not there yet—and opting out of the payroll tax system individually to instead depend on support from family and friends, while it could help demonstrate the practicality of mutual aid on a small scale, also tends to undermine a system that almost 60 million people depend on.

Social Security and Medicare are something more than just government programs—they are one of the few, if beleaguered, elements of the present system that promote a sense of mutual obligation and dependence, countering the savagely atomistic social vision that our elites work so intently to impose on us. As such, they also help, instead, to carry us down the path toward a world without war. ●

Eric Laursen, a writer and activist, is the author of The People’s Pension: The Struggle to Defend Social Security Since Reagan (AK Press, 2012).

The Payroll Tax: What It Means for War Resisters (and Everyone)

By Eric Laursen

Editor's note: This article is a response to "To Pay or Not to Pay Social Security" in our previous issue.

The debate over non-payment of payroll taxes, the levies that are earmarked to sustain Social Security and the portion of Medicare that covers Hospital Insurance, is about a profound moral issue—whether or not we should pay taxes that help sustain U.S. wars. But, curiously, this debate often hinges on exactly the same issue over which friends and enemies of these social insurance programs have been fighting practically since they came into existence: Is the payroll tax really a “dedicated” tax, or is it just another federal tax, gussied up to look as if it was something different?

Even more curiously, some war tax resisters find themselves on the same side of this question that the enemies of Social Security and Medicare have traditionally occupied: No, the payroll tax is just another tax. The trust funds that backstop these programs are a fraud, pillaged to pay for other federal-government obligations, including wars. As a result, there’s no practical difference between paying FICA or SECA and paying income tax.

The funding mechanisms for Social Security and Medicare are complicated, but the issues are important enough that it’s worth taking a few moments to tease out what actually happens to those payroll tax dollars. The two programs took in \$840.2 billion and \$243 billion in payroll contributions in 2012, respectively, representing 12.4% of each American worker’s gross pay (half paid by the employer, half by the employee). That money is delivered to the Treasury Department, and the bulk of it is used to pay current beneficiaries—retirees, survivors, and the disabled. The Social Security, Disability, and Medicare trust funds use the rest to purchase Treasury bonds, which make up the bulk of their assets (\$2.7 trillion for Social Security, \$244.2 billion for Medicare). The

money that pays for them stays at the Treasury, which can use it to cover the federal government’s current operations—including going to war.

So it’s true that some of that payroll tax money can be used for the same purposes as income tax receipts. But it’s not true that the trust funds are “raided,” as Social Security’s critics have been saying for decades. The

Treasury bonds they own are real obligations—as solid as the Treasuries that Goldman Sachs and the Bank of China hold in their vaults. They collect interest, which also represents an asset of the Social Security and Medicare systems. The U.S. Treasury has never missed a payment, or failed to redeem the bonds when they mature; if it did, the credit of the U.S. government would be called into question, with dire fiscal consequences.

What’s important to bear in mind as war tax resisters, then, is that while a portion of the money paid into Social Security and Medicare each year can be used for purposes such as state violence, it’s not like the money that comes from income taxes. Sooner or later, it has to be paid back, to cover future benefit payments. And that money will be needed. Americans are aging: Social Security today absorbs an estimated 4.5% of GDP; after 2035, that figure will hover around 6% or

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Courtesy of the author.



NATIONAL WAR TAX RESISTANCE COORDINATING COMMITTEE

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