

Trump's Tax Breaks Are Not a 'Gift' for the Rich

President Trump's [tax plan](#) calls for a reduction in top individual tax rates as well as a dramatic reduction in the overall corporate tax rate. This move has unsurprisingly drawn criticism. Detractors of Trump's tax plan argue that it favors the rich at the expense of the poor. However, their arguments often rely on rhetoric and political spin that misrepresents the American tax system.

There is a tendency by some public finance analysts to mischaracterize tax breaks as a "[gift to the rich](#)." This [narrative](#) is often picked up by the media, spreading the misperception that a tax cut is equivalent to a government reward. This view is easily refuted when we consider the definition of a tax.

In public finance, a tax is [defined](#) as "a compulsory monetary contribution to the State's revenue, assessed and imposed by a government on the activities, enjoyment, expenditure, income, occupation, privilege, property, etc., of individuals and organizations."

This definition points to an important consideration – the coercive nature of tax collection. A tax is a *compulsory* monetary contribution. Taxes are collected either by [threatening citizens with the use of force](#) or the actual use of such. With this understanding of taxes and how they are collected, it is clear that a tax break cannot be considered a gift to the rich or to any other income bracket.

Not taking something from someone does not equate to "giving" them something.

Allowing someone to keep something that belongs to them is not a "gift."

Some tax policy analysts argue that the wealthy should pay more because they benefit more from the services provided by the government. However, the idea that taxes should be proportional to individual benefit is inconsistent with the way the American tax system works.

According to a [study](#) by the Tax Policy Center, nearly half of Americans do not pay income taxes, but they have the same access to public facilities and services (e.g., roads, public schools), and in some cases, have more access than those who do pay federal income taxes (e.g., income-restricted welfare programs). Additionally, federal taxes are disproportionately placed on a [comparatively small number of wealthy Americans](#).

This is not a debate about whether a specific class should have higher or lower taxes, but merely a reminder that policy analysts should avoid referring to tax breaks as a “gift.”

Whether you agree or disagree with Trump’s tax plan, we should stop demonizing people for being allowed to keep what they earned.