

Grandfather knew: The rich can afford higher taxes

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In the mid-1950s, my grandfather told the [Buffalo Evening News](#) he didn't mind paying taxes. He considered it "the rent I pay for the privilege of living in this country." The quote was in a profile published because he ran a large local business.

At the time, top federal marginal income tax rates ranged from 62 percent for married couples with incomes above \$52,000 a year up to 91 percent for those making \$400,000 a year or more. There was also a New York state income tax (in effect since 1919). Now, the highest federal marginal tax rate is only 35 percent.

The supposedly "confiscatory" tax rates prevalent half a century ago did not take bread out of my grandfather's mouth or a roof from over his head. My grandparents went to Florida in the winter and their beach house in the summer. They toured Europe. For major medical problems they consulted the [Mayo Clinic](#) in Rochester, Minnesota. All of their children and grandchildren who wanted to go to college did so. The business flourished, and they and theirs lived well.

Knowing that a steeply graduated income tax doesn't do much to cramp the lifestyles of the rich, I cringe when I see states finding more revenue by adding on sales taxes. Raising taxes on wealthier people is fairer.

Sales taxes hit lower-income people disproportionately hard. The [Institute on Taxation and Economic Policy](#) has analyzed how much state and local taxes took out of families' incomes in each of the 50 states in 2007. It calculated separate percentages for seven different income groups.

In Connecticut, ITEP showed that families making less than \$26,000 a year spent 6.3 percent of their income on sales tax, while families making more than \$1,355,000 a year spent only 0.7 percent on sales tax -- one-ninth as much.

Furthermore, the poorest group spent more than twice as much as the richest on state and local taxes altogether. For the richest 1 percent, total Connecticut taxes -- sales and property and income -- amounted to only 4.9 percent of their income. For the poorest 20 percent, Connecticut taxes cost 12 percent of what they earned.

Although he was a lifelong Republican, my grandfather would have flinched at those figures. He was a philanthropist as well as a businessman. His parents had fled threats to Jews on the German-Polish border at the end of the 19th century, so he was happy to pay for the stability and opportunity a decent government can provide. And he could easily afford high taxes.

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