

# Freedom Matters

An Occasional News & Opinion Paper

Our mission is to restore, perfect and maintain our government as a constitutional republic that is dedicated to defending our unalienable rights as individuals to life, liberty and property.

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## The U.S. Economy & the Confiscation of Wealth

by Michael Byrne

*Freedom Matters* readers now have the unfortunate privilege of watching, in real time, as our country's leaders abandon the principles that have made this country great; and watching too, the results of abandoning those principles. Freedoms ranging from speech to property rights are under assault, and many of us are scrambling to protect assets which took us lifetimes to acquire. *Freedom Matters* would like to highlight some of the most obvious ways our government is destroying wealth with the hope that discourse will lead to solutions; and with the further hope that we, the people, can save our country from completely falling on its knees.

The obvious way that government destroys wealth is taxes. Even worse is to pile multiple taxes on top of taxes. One such piled-on tax is the Capital Gains tax.

The capital gains tax essentially tells the citizen "if you are successful, if you take risk, your fellow citizens are standing by to confiscate a portion of your reward."

The very phrase 'capital gains' says it all! By choosing to invest funds that have accumulated through work, the citizen has increased value; the resulting increase in assets is a gain. Wealth for the citizen and the country has increased. Why would we want to tax something

that is clearly going the direction the individual and the society desire? There is only one reason: greed.

The government, by failing to control its own spending, is getting increasingly desperate for a source of funds. Politicians, ignorant of the consequences, are using their power to confiscate wealth.

Make no mistake, readers: this practice is where we are losing our country. This practice has to stop. It's the antithesis of Capitalism. It is a strand in the spider web of socialism.

These charts below show how out of control the situation has become. We cannot stress enough that this is only the tip of the iceberg that is floating towards the American society. The current administration is proposing to increase these figures on the top brackets, but that is foolish! These top brackets--the people with a little extra capital-- are just where an economy turns to look for growth. These top-bracket taxpayers can choose not to increase their wealth and then what will happen? We all suffer.

A government greedy enough to confiscate more wealth but stupid enough not to control its own spending will doom us all. History tells us that there will be a rebound eventually. But how long will it take?

The state of Wisconsin is working on an even more restrictive mindset that places property rights behind community rights, taxation ahead of fiscal restraint, and restriction ahead of freedom in business regulation. It is a mindset oblivious to historic disasters.

### Year 2008 Income Brackets and Tax Rates

Marginal Tax Rate	Single
10%	\$0 - \$8,025
15%	\$8,026 - \$32,550
25%	\$32,551 - \$78,850
28%	\$78,851 - \$164,550
33%	\$164,551 - \$357,700
35%	\$357,701+

*Lower rates apply for married individuals. The readers should note that until the 3rd category, nearly all income is needed for daily living expenses. So just when someone achieves an income level that might allow savings or investments, fellow citizens are standing by to confiscate one quarter of that income. That money, which could otherwise have stimulated growth in the economy, will be under the control of bureaucrats whose apparent aim is to advance the political agenda of the ruling class.*

Ordinary Income Rate	Long-term Gain on Real Estate*	Long-term Gain on Certain Small Business Stock
10%	10%	10%
15%	15%	15%
25%	25%	25%
28%	25%	28%
33%	25%	28%
35%	25%	28%

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