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Here's the Tax Beat broadcast for July 1

Subject Line: Self-Evident Truths

Two hundred fifty years ago this month, Thomas Jefferson sat down with a quill and drafted the most consequential paragraph in American history. He'd been given the job by a committee that included John Adams and Benjamin Franklin, and he produced a document of such enduring elegance that we still recite its opening lines at school assemblies. Most of the Declaration of Independence is famous; the part that gets less attention is the bill of particulars in the middle — the twenty-seven specific grievances Jefferson laid against King George III to justify the whole undertaking.

Read those grievances with a tax planner's ear, and something funny happens. The modern internal revenue code isn't handed down by royal decree – it's a legitimate product of our democratic process. But a remarkable number of Jefferson's complaints about a distant king still echo today. Consider:

"He has called together legislative bodies at places unusual, uncomfortable, and distant from the depository of their public Records, for the sole purpose of fatiguing them into compliance with his measures." Jefferson meant Parliament holding its sessions in inconvenient locations. We mean the IRS office on the third floor of a federal building in another city, requesting twelve boxes of receipts and two years of bank statements by Tuesday.

"He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance." Jefferson was complaining about the British customs commissioners. He didn't know about the Treasury Inspector General for Tax Administration, the Office of Chief Counsel, the Large Business and International Division, the Small Business/Self-Employed Division, or the eighty thousand IRS employees who keep the lights on. Substance, in fairness, was eaten.

"For imposing Taxes on us without our Consent." Jefferson meant the Stamp Act and the Townshend duties. We have the Alternative Minimum Tax (which catches taxpayers Congress never intended to catch), the SALT cap, and the Net Investment Income Tax (a 3.8% surtax most filers learn about by being charged it).

"For depriving us in many cases, of the benefits of Trial by Jury." A real one. If you want to fight the IRS in U.S. Tax Court, you don't get a jury. The only way to get one is to pay the disputed tax first, then sue for a refund in federal district court. Jefferson would have had thoughts.

"He has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws." Jefferson meant Parliament. We mean the forty-three states with income taxes, each with its own definition of nexus, its own apportionment formula, and its own opinion about whether your remote employee in Idaho creates filing obligations there.

To these we might respectfully add a few Jefferson didn't have. "He has multiplied his pages beyond all reckoning, requiring four million words of statute and regulation to describe the taxation of a single citizen. He has caused his most wholesome provisions to expire of their own accord, that we might be perpetually in suspense about whether next year's bonus depreciation will exist. And he has imposed upon us a Schedule, a Worksheet, and a Form for every breath we take, that we might learn the cost of citizenship in triplicate."

The Declaration closes with one of the most famous sentences in English: "We mutually pledge to each other our Lives, our Fortunes and our sacred Honor." It's worth remembering that the man who wrote those words died $107,000 in debt, fifty years to the day after he signed them, having pledged his fortune so thoroughly that his grandson spent the next half-century paying off the creditors. You don't need to pledge yours — call us, and we'll help you keep what Jefferson would have wanted you to keep in the first place!

Kevin