

Tax Justice

Fr Simon Cuff



Fr Angus Ritchie:

'The poor are not merely the objects of our charity; they are the agents of our redemption. It is precisely when we open our hearts, hands and wallets to our neighbours that we find life in all its fullness.'

'Taxing Theology', 23

Church Action for Tax Justice:

'The conversation about our tax system is not just a matter for tax experts: it is for all of us. Decisions about taxation cut to the heart of our beliefs about the type of society we want to live in and how to live out our faith in the world.'

Tax and the Common Good, 15

Adam Chodorow on Old Testament/Hebrew Bible witness:

- **temple tax**
- **agricultural tithing**
- *maaser kesafim* [charity]

'Biblical Tax Systems & the Case for Progressive Taxation'

Temple Tax

Exodus 30.13-15:

'This is what each one who is registered shall give: half a shekel according to the shekel of the sanctuary (the shekel is twenty gerahs), half a shekel as an offering to the Lord. Each one who is registered, from twenty years old and upwards, shall give the Lord's offering. The rich shall not give more, and the poor shall not give less, than the half-shekel, when you bring this offering to the Lord to make atonement for your lives'.

Temple Tax

- half-shekel
- all adult males (over 20)
- women and minors could voluntarily pay
- Gentiles and Samaritans could not pay

Token statement of identity

Agricultural Tithing

Deuteronomy 14.28-29:

'Every third year you shall bring out the full tithe of your produce for that year, and store it within your towns; the Levites, because they have no allotment or inheritance with you, as well as the resident aliens, the orphans, and the widows in your towns, may come and eat their fill so that the Lord your God may bless you in all the work that you undertake.'

Agricultural Tithing

- flat rate
- every third year
- payable to levites
- resident aliens, orphans, widows

Distributive, if not progressive.

Maaser kesafim (charity)

Deuteronomy 15.7-11:

'If there is among you anyone in need, a member of your community in any of your towns within the land that the Lord your God is giving you, do not be hard-hearted or tight-fisted towards your needy neighbour. You should rather open your hand, willingly lending enough to meet the need, whatever it may be. Be careful that you do not entertain a mean thought, thinking, 'The seventh year, the year of remission, is near', and therefore view your needy neighbour with hostility and give nothing; your neighbour might cry to the Lord against you, and you would incur guilt. Give liberally and be ungrudging when you do so, for on this account the Lord your God will bless you in all your work and in all that you undertake. Since there will never cease to be some in need on the earth, I therefore command you, 'Open your hand to the poor and needy neighbour in your land'.'

maaser kesafim (charity)

- in Rabbinic interpretation, nothing for poor
- 10% for most people
- 20% for the wealthy

BUT: Chodorow notes difference from progressive tax.

- *maaser kesafim* is voluntary.
- 20% applies to all income and not just above a threshold
- rates are not designed to raise a specific amount (if needs of poor outstrip resources of community, excess needs remain unmet)

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Chodorow, 'Biblical Models of Taxation':

'Solicitude for the poor is a dominant theme, along with a clear mandate for at least limited redistribution of wealth to ensure the poor have sufficient means to survive. Thus, while certain of these tax systems eschew progressivity, the notion that they preclude or are inconsistent with progressivity seems hard to maintain...'

Chodorow, 'Biblical Models of Taxation':

'To the extent that progressive taxation is seen as redistributive and designed to help the poor, it is consistent with the broad principles found in the Bible and Talmud, regardless of how any one tax system operated.'

Building blocks for a theology of taxation:

- Distributive, concern with the poor
- Place
- Identity

New Testament on taxation:

- Temple Tax (Matt 17.24 - 27)
- Unto Caesar that which is Caesar's (Mark 12.13-17)
- Unto God that which is God's (cf. 1 Cor 11.12)

Example: Taxation in Catholic Social Teaching

- Fairness

'A State chiefly prospers and thrives through moral rule, well-regulated family life, respect for religion and justice, the moderation and fair imposing of public taxes'

Rerum Novarum 32 (1891)

Example: Taxation in Catholic Social Teaching

- Progressive

'In a system of taxation based on justice and equity it is fundamental that the burdens be proportioned to the capacity of the people contributing.'

Mater et Magistra 132 (1961)

Example: Taxation in Catholic Social Teaching

- Prioritise the poor

'**First**, the tax system should raise adequate revenues to pay for the public needs of society, especially to meet the basic needs of the poor. **Secondly**, the tax system should be structured according to the principle of progressivity... The inclusion of such a principle in tax policies is an important means of reducing the severe inequalities of income and wealth in the nation....

Thirdly, families below the official poverty line should not be required to pay income taxes.'

Economic Justice for All 202 (1986)

Example: Taxation in Catholic Social Teaching

- An instrument of solidarity

'Tax revenues and public spending take on crucial economic importance for every civil and political community. The goal to be sought is public financing that is itself capable of becoming an instrument of development and solidarity.'

Compendium of Social Doctrine 355 (2004)

Example: Taxation in Catholic Social Teaching

- Creative (e.g. hypothecation)

'Allowing citizens to decide how to allocate a portion of the taxes they pay to the State. Provided it does not degenerate into the promotion of special interests, this can help to stimulate forms of welfare solidarity from below, with obvious benefits in the area of solidarity for development as well.'

Caritas in Veritate 60 (2009)

Summary: A Theology of Taxation

- For the Poor
- In line with God's will for that which he entrusts to us
- To eliminate inequality within and between nations
- Connected to place
- Fair
- Distributive
- Progressive - as an instrument of solidarity
- Innovative