I first became interested in taxation many years ago, more than I care to remember, when, as an undergraduate student, I started receiving paychecks from my part-time jobs and noticed that what I received was less than what I had earned. My various employers were withholding federal income taxes, state income taxes, and something called FICA, which stands for Federal Insurance Contribution Act, but which is neither insurance nor a contribution. As I learned more about Social Security, which I usually refer to as Socialist Insecurity, and the other taxes that are extracted from the most productive members of society and frittered away by our elected representatives, I started asking myself “Why do we permit this kind of system to exist?” Later on, after studying economics, law, political science, and philosophy, I learned that Étienne de la Boétie (1530–1563) and others had been asking similar questions for hundreds of years.

Growing up, I was taught to obey all laws, no matter how stupid they appeared to be, because failure to obey would result in punishment, both here and now and in the next life, and because failure to obey would cause civilization to unravel, for which I would be directly responsible. I would sit at a red light and wait for it to change, even though it was 2 o’clock in the morning and no one was around for as far as the eye could see, just because it was ingrained in me not to break any law—ever. Then, I started thinking, would western civilization unravel if I went through the red light? Who would be harmed? Then, I started applying utilitarian ethics to the question. Who would be harmed and who would benefit if I went through the red light at 2 AM?

I soon conceded that I would benefit and no one would be harmed, which led to the conclusion that I should always go through red lights at 2 AM, provided no one was around to crash into. Yet I continued to sit there until the light turned green, a decision that was against all logic. My decision to sit and wait was based on several things, including the possible punishment if some policemen were parked behind a tree or billboard waiting for people to crash the light, and also because my belief (at the time) that obeying all laws was the proper thing to do.
Then, Martin Luther King and the other rabble rousers of the 1960s started breaking
laws they considered to be unjust. I felt a sense of outrage. Who were these people
who thought they could choose which laws to obey and which laws to break? They
justified their actions by spouting off about some guy named Gandhi who did the
same thing in India in the 1920s, 1930s, and 1940s and who got his inspiration by
reading Henry David Thoreau, some mid-nineteenth century guy who also advo-
cated breaking unjust laws. Then, I recalled some earlier rabble rouser, some guy
called Jesus, who overturned the money changers’ tables in the temple.

After I graduated from college my employers started taking out even more money
from my paychecks. I resented the fact that I was doing all the work while govern-
ments at all levels were skimming off the top, taking the money that I had earned
and spending it on a wide range of projects that did not benefit me.

During my studies, I had learned that the top marginal federal income tax rate
had been over 90% in the 1950s, which I thought to be outrageous. Then, I began
asking questions like “Why should anyone be forced to pay over 90% of their mar-
ginal income to any government?” which led to other questions, like “How much is
enough?” How much are people morally obligated to pay before tax evasion becomes
justifiable? If we must pay our fair share, how much is our fair share? What if we
are forced to pay more than our fair share? Are we morally justified in evading any-
thing that is more than our fair share?

During the Vietnam War years, a number of antiwar activists started taking a bil-
lion dependents on their tax returns so they would not have to pay any income taxes
to support the war, which they considered to be unjust. That reminded me of some
of the reading I had done as an undergraduate student that discussed just war theory,
and how we need not obey the government if it is engaged in an unjust war, and how
we might even have a moral obligation to resist where the government was engaging
in atrocities.

The main reason I enrolled in the Master of Science in Taxation program at
DePaul University was so that I could better protect people from these unjust extrac-
tions. I practiced taxes for many years, sometimes full-time and sometimes part-
time while pursuing other interests. I saved some taxes for numerous individuals
and a few corporations but there was not much I could do, since the law more or less
states what is legally owed. The most I could do was see to it that my clients did not
pay more than what was legally owed and perhaps help them engage in some tax
planning to reduce the extent of future extractions.

This book addresses the theory and practice of tax evasion from several perspec-
tives. The focus is on ethics rather than the law. There are separate sections on philo-
sophical foundations, religious views, public finance and economic aspects of tax
evasion, practitioner perspectives, country studies, and demographic studies. There
are also three annotated bibliographies to assist scholars in finding prior studies that
will assist them in their future research.

The philosophical foundations section discusses and analyzes what past authors
have had to say about the ethics of tax evasion and raises some points that have not
previously been discussed much in the literature. Historically, there have been three
basic positions on tax evasion. Some scholars have taken the position that tax evasion
is never justifiable, a position I find to be untenable. The other two positions – that evasion is sometimes or always justifiable on ethical grounds – are not as easy to dismiss. I also explore a fourth view that in some cases evasion might be a duty, or at least might be beneficial to society.

I examine the main arguments that have been used to justify taxation and find that they all have weaknesses. I also examine some arguments that justify evasion and find that they have some merit.

Some of the chapters in this section consist of contributions of other authors. Tibor Machan addresses ethical issues relating to tax avoidance and evasion and offers a fresh perspective that is not often found in the mainstream literature. Alfonso Morales provides a sociological perspective, focusing on Mexican street merchants. Marian Eabrasu compares the similarities between the theories of tax evasion and secession. The section concludes with the results of a survey I conducted soliciting the views of philosophy professors.

The section on religious views includes some interesting contributions by authors who take differing perspectives on the issue. When I published my first book on the ethics of tax evasion in 1998, I solicited the views of a number of authors, hoping to include a wide diversity of perspectives. I also wanted to include at least one chapter on each of the major religions. I was not able to find anyone to write from a Hindu perspective. Actually, I did find someone who said he would write such a chapter but he later changed his mind, so that book was published without a chapter presenting the Hindu perspective.

The present book includes a chapter on the Hindu perspective. Sanjoy Bose has written an interesting and perceptive chapter that allows the reader to get into the mind of the Hindu. His contribution is the first detailed presentation on the Hindu perspective I have seen. When I first started soliciting manuscripts for that first book I sought in vain to find a single article that presented the Hindu view and I have not been able to find anything written from the Hindu perspective since then, until now. I suppose that makes the Bose chapter the definitive treatment on the subject.

Gordon Cohn, a well-known Orthodox rabbi, has written on the Jewish view of tax evasion. His chapter reviews the Jewish literature of the last few thousand years and applies it to today’s society.

There are two chapters on the Muslim view. My chapter summarizes the views of the only two Muslim scholars I could find when I published my first book on the ethics of tax evasion in 1998. Although I was able to find two other Muslim scholars to contribute a chapter to that book, their discussion was limited to zakat, the duty to assist the poor. They did not address some of the issues I wanted to have addressed, so I wrote a chapter based on the discussions in the two Muslim scholars who wrote books on Islamic justice and ethics. That chapter from the first book also appeared as a journal article.

Ali Reza Jalili, a Muslim scholar teaching in the USA, read my summary of the Muslim position and contacted me, stating in no uncertain terms that the views of the two Muslim scholars I summarized did not represent the “true” Muslim view. As a result of our correspondence, I invited him to contribute a chapter to the present book that expressed what he considers the true Muslim view to be. I have included
a lightly edited version of the article I wrote on the topic so that readers would be able to become exposed to these other Muslim views.

A few chapters discuss various Christian views on the ethics of tax evasion. My chapter summarizes much of the Christian literature. One of the chapters presents the results of a survey Sheldon Smith and I conducted soliciting the views of Mormon students in Utah. That chapter also presents a philosophical discussion and review of the Mormon position on tax evasion as published in the official literature of that religion.

The section on the public finance and economic aspects of tax evasion consists of a single chapter, written by Walter Block, William Kordsmeier, and Joseph Horton. They address the failure of the public finance literature to fully address ethical aspects of tax evasion.

The practitioner perspective section also consists of a single chapter. That chapter reports the results of a survey Tatyana Maranjyan and I conducted soliciting the opinions of accounting practitioners in South Florida. Most, or perhaps all of them, were members of the Florida Institute of Certified Public Accountants.

The section on country studies consists of both theoretical and empirical studies. Benno Torgler contributed an empirical chapter on views on tax evasion of the US population. Jaan and Lehte Alver and I report the results of an empirical study of Estonian opinion. There are also empirical studies of Haiti, Hong Kong, India, South Africa, Mexico, Turkey, and Germany. Georgi Smatrakalev presents an interesting theoretical and historical study of the Bulgarian case.

The section on demographic studies consists of a series of empirical studies on various demographic variables, including gender, age, education level, religious practice, religion, marital status, and income level. The final section includes annotated bibliographies that summarize the results of prior empirical studies on the ethics of tax evasion. These annotated bibliographies can be used by scholars as a basis for future research.

I thoroughly enjoyed myself writing some of the chapters and soliciting and editing the other chapters. I hope you have as much fun reading them.

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