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Ignorance Exploited

By Walter E Williams

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Many Wall Street occupiers are echoing the Communist Party USA's call to "Save the nation! Tax corporations! Tax the rich!" There are other Americans, on both the left and the right -- for example, President Barack Obama and House Speaker John Boehner -- who call for reductions in corporate taxes.

But the University of California, Berkeley's pretend economist Robert Reich disagrees, saying, "The economy needs two whopping corporate tax cuts right now as much as someone with a serious heart condition needs Botox." Let's look at corporate taxes and ask, "Who pays them?"

Virginia has a car tax. Does the car pay the tax? In most political jurisdictions, there's a property tax. Does property pay the tax? You say: "Williams, that's lunacy.

Neither a car nor property pays taxes. Only flesh-and-blood people pay taxes!" What about a corporation?

As it turns out, a corporation is an artificial creation of the legal system and, as such, a legal fiction. A corporation is not a person and therefore cannot pay taxes. When tax is levied on a corporation, who pays it?

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