

Taxation and nation building



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There is no art which one government sooner learns of another than that of draining money from the pockets of the people. Adam Smith, Wealth of Nation Tax is a compulsory payment or contribution made by the citizens of a country to the government for the general benefit of the country. But not every one of us sees tax as a general benefit for a country, for others it is the other way around.

Most of us sees tax as means for the government to corrupt the money of the people, to overburden the indigent, to drain the salary of small number of people that have work and for the overnment to live a comfortable life, being able to have what they want and what they need. It never came cross to our mind if what tax is for. What is the need for us to pay tax? What does the government do to those levies that we find hard to pay? What does tax do to our nation? Taxation is a system of raising money to fund the government for them to be able to finance activities and projects.

All government requires tax in the form of payment from the citizen to pay government officials like police, soldiers, public school teachers, and government workers including the president, his cabinet, the senate, he congress and many more. The money collected is also used to build roads, bridges, highways and other infrastructure, to operate hundreds of public schools and hospitals around the country, to provide help to the poor, to endow elders and children with medical care and for hundreds of other purposes.

It is said that without taxes, government could not exist because there would be no money to fund their activities. Throughout history, people have

debated the amount and kinds of taxes that a government should impose, as well as how it should distribute the burden of those taxes across society, especially for the deprived people. Taxes have caused public protests, riots, and even revolutions. In political campaigns, candidates' views on taxation may partly determine their popularity with voters. Taxation is the most important source of revenues for the government, typically accounting for 80 percent or more of their income.

The remainder of government revenue comes from borrowing and from charging fees for services. Countries differ considerably in the amount of taxes they collect. In the United States, about 30 percent of the gross domestic product (GDP), a measure of economic output, went for tax payments in 2000. The 30 percent figure is relatively low from a historical standpoint. As a result of a new round of tax cuts in 2003, the tax percentage share of GDP was expected to be lower than at any time since 1959 when many major government programs, such as Medicare and Medicaid, did not exist.

In Canada about 35 percent of the country's gross domestic product goes for taxes. In France In addition to using taxation to raise money, governments may raise or lower taxes to achieve social and economic objectives. Taxation can redistribute a society's wealth by imposing a heavier tax burden on one group in order to fund services for another. Here in our country, affluent people pay more tax than poor people. But most of the taxes paid by rich people are rendered by the government to those needy families.

According to statistics, 70 percent of the taxes collected by the government are from rich people and only 30 percent are from poor people. It is an irony because the number of indigent people in our country is greater than those who are well-off. Taxation could really benefit the country in general but when taxes are used perniciously, a great nation could not pull off. One major problem governing taxation is the great injustice in tax administration. Teachers, Jeepney and taxi drivers are levied excessively whilst Government officials drive through highways without paying any toll fee.

With the excessive use of taxation by the government, it is uneasy to say that all the modest economic gains we want to attain will be shot-lived if care is not taken. For example, tariffs on food imports including rice, sugar and poultry products were astronomically increased. Its effect is about to trickle down to affect consumers shortly. There has been a drastic increase in the Roads and Bridge tolls which is still hanging over commuters. Tariffs on electricity and water are also likely to go up also o be pushed down the throat of the ordinary man on the street.

If we could not prevent the rapid inflation our economy would surely go down. In the developing nation like ours, important national goals that call for taxation are not achieved by the political and economic leaders because of abuse of power, greed, widespread corruption, misappropriation and mismanagement of tax revenues that leaders excessively take from the ordinary people. We must ensure that a good tax system should not overburden the poor, it must be equitable, efficient, well accounted for and expenses of the government to achieve economic growth and also evelopment benefit of tax payers.

It is the responsibility of the government to initiate that aims of reducing the burden of the poor person on the street for a better standard of living instead of excessive taxation which continues milking the poor for the betterment of officialdoms. This injustice must end because it is certainly not in the interest of the mass majority of our people. Economists consider taxation an important tool for maintaining the stability of a country's economy. Taxation is significant in nation building for it made our economy strong and push for the economic growth of our county.

A nation build out of a good system of taxation would surely increase the total amount of production and the wealth of economy. It would be a nation aiming for economic growth. It is time to push for economic growth to improve upon the standard of living of our people to make inequity in the distribution of income more tolerable. Surely economic growth will also provide a sense of achievement to distinguish a vibrant from a stagnant economy. Because economic growth could be attained through the county to achieve national goals such as economic stability, equity, and economic growth.