



PlatteChat

AN ONGOING CONVERSATION ABOUT HOW TO BEST PRESERVE FREE ENTERPRISE,
PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.

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Tax Freedom Day Has Arrived

Today is Tax Freedom Day in Nebraska, meaning Nebraskans have finally worked enough days to pay off their total federal, state, and local tax bill - and can start making their own decisions about how to save and spend their money.

The measurement used by the Tax Foundation to calculate Tax Freedom Day assumes all taxpayers begin working on January 1 and earn the same amount each day (including weekends and holidays in the calculation^[1]) while spending nothing. When the amount earned equals taxes due, it is Tax Freedom Day.^[2] This year, Nebraskans worked for 102 days to pay off their national, state, and local taxes.^[3]

Tax Freedom Day helps us quantify the size and scope of government at every level, and understand what it means for workers. The position of Tax Freedom Day on the calendar shows how big government has become and how much a bloated government demands of us as taxpayers. The Tax Foundation estimates that the national Tax Freedom Day in 1917 was as early as January 24, reflecting how small government once was.^[4] This year, national Tax Freedom Day is April 17, however, if the federal government was honest about its deficit spending and increased taxes to pay for all it spent, then national Tax Freedom would be pushed back to May 14.^[5]

In comparison to other states, Nebraska's Tax Freedom Day is early, yet it is now four days later than it was in 2010.^[6] Texas, Arkansas, and North Carolina also have Tax Freedom Day on April 11, and sixteen states-including our neighbors in Missouri, Iowa, and South Dakota-have already celebrated their tax freedom. Tennessee was the first to celebrate their liberation last month on March 31. Meanwhile, New York, New Jersey, and Connecticut will be surrendering their hard earned wages into early May.^[7]

While it is not a day that gets a parade, Tax Freedom Day is important because it is an applicable measure of how much economic liberty citizens sacrifice to the growing size of government.

^[1] Tax Foundation, "Tax Freedom Day." Accessed April 5, 2012:
<http://www.taxfoundation.org/taxfreedomday/>.

^[2] Tax Foundation, "Tax Freedom Day." Accessed April 5, 2012:

<http://www.taxfoundation.org/taxfreedomday/>.

[3] Tax Foundation, "Nebraska." Accessed April 5, 2012:

<http://www.taxfoundation.org/research/topic/41.html>.

[4] Tax Foundation, "Tax Freedom Day." Accessed April 5, 2012:

<http://www.taxfoundation.org/taxfreedomday/>.

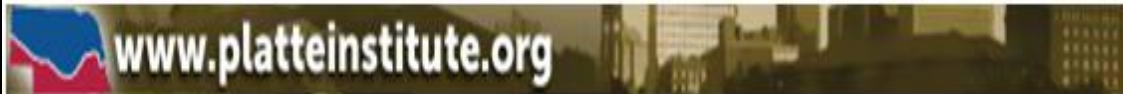
[5] Tax Foundation, "Tax Freedom Day." Accessed April 5, 2012:

<http://www.taxfoundation.org/taxfreedomday/>.

[6] Berk Brown, "It Takes Nebraskans 97 Calendar Days to Pay Federal Nebraska and Local Taxes," *Platte Institute for Economic Research*, April 1, 2010. Accessed April 9, 2012: http://www.platteinstitute.org/docLib/20100709_Platte_Chat_4-1-2011.pdf.

[7] Tax Foundation, "Tax Freedom Day." Accessed April 5, 2012:

<http://www.taxfoundation.org/taxfreedomday/>.



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