

One thing is certain: taxes matter

When I asked my kids after they graduated from college what kind of career they were interested in, they said, "Anything but taxes, Dad."

"We know that you practice 'tax law,' but that sounds gross to us," they said.

I tried to explain to them that taxes touch everything we do.

"No way."

"You are crazy, Dad."

"Taxes are not that important," they said.

So I tried to explain the reality of taxes. The revolution occurring in same sex marriage, at its source, stemmed from an estate tax case. Edith Windsor asked the Supreme Court to afford her deceased spouse the same estate tax deductions afforded to opposite sex couples, and the Supreme Court set the groundwork for a monumental upheaval in laws across the nation.

Federal, state and local governments pass "sin taxes." Agencies have boasted that the imposition of excise taxes on tobacco products dramatically reduced smoking across the country and dramatically improved the health of non-smokers and former smokers.

Schools across the country rely on real estate taxes to support their systems. But the revenue generated is based arbitrarily on the wealth of a neighborhood as reflected in its real estate value, so the quality of education is dramatically different in rich neighborhoods as compared with poor neighborhoods.

Relatively high income, business, and payroll taxes helped to drive business out of the US, contributing to the difficulty in finding jobs.

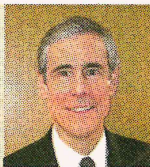
Income tax incentives for college educa-

SPoonFUL OF SUGAR

BY RICHARD A.

SUGAR:

Serving tastings of money, taxes and the law



tion have driven higher demand for college degrees, resulting in upward price pressures on tuition and making it harder for students to afford college.

Tax-exempt organizations, like hospitals and churches, have easily increased in size because they don't have the same cost drag as for-profit organizations, and can more easily raise capital from contributors, who get income tax deductions for contributions to tax-exempt organizations. So in many communities, the hospital and the church are the biggest employers.

The IRS is chasing financial institutions around the world to find out where US citizens and corporations have hidden money, intimidating citizens and corporations to return the money (or the income taxes due on the earnings from that money) to the U.S. That's helping to boost the stock market and drive down the Federal budget deficit.

One of the hotly contested issues of the day is the proposal to tax carbon and award carbon tax credits, to discourage polluting the environment and allow us all to breathe easier.

"So Dad, what does all this have to do with us in Chicago?"

Sons, you know what ended the reign in Chicago of the notorious gangsters of the early twentieth century? When the Federal government convicted and jailed Al Capone at Alcatraz for income tax evasion — not bribery, smuggling, extortion, or prostitution, for which he was so notorious — but income tax evasion.

"Oh, Dad....."

Richard Sugar is a North Shore resident who practices law in Chicago