

CHAPEL, February 21, 1931

-- President Wright

Scripture lesson: 119th Psalm, Verses 41-48

I have prepared a talk for you this morning that is along the line that a great many people in our nation are thinking today, and it seems to me that there is something in this that we need to know. I have as a caption "Who pays taxes?" Who pays taxes? We see in the papers considerable talk about taxes of large corporations; there is a great deal in the papers about relieving real estate from its burden of taxes. Who does really pay the taxes? Let's take the landlord, and by landlord I do not mean right now the owners of farms. I am thinking of the man who owns houses; the man who has built a number of houses in Greenville, or anywhere and has those houses for rent. Who pays taxes on those houses? Is it really the landlord? He is the person who goes to the sherriff's or tax collector's office and actually pays the tax, but doesn't the tenant, the man or woman who rents that house pay it? If it is rented, he certainly does. In fixing the rent the owner of the property fixes the rent so as to give him sufficient income to pay the entire expense on that property and make a reasonable profit on the money invested, and keep the property up. On a farm who pays the taxes? If a man lives on his own farm and works the land himself the taxes come out of the earning on the farm. If an absentee landlord and he rents it, or hires people to cultivate it, the people who work the farm, whether tenant or hired people are the ones who make sufficient to pay the expenses of the farm, an reasonable profit and the taxes. The trouble in our state at present on farms is that things that we grow on our farms have not been sufficient to meet the expense of the farm and ^{we are} ~~we are~~ trying to relive the

definit that comes to farm by helping so far as possible ~~by~~ reducing taxes on real property. A man running a mercantile business—who pays taxes on that business? Is it the man who owns it? Actually, yes. In reality it is the people who purchase the commodity from that merchant. In fixing his price he fixes it sufficiently high to pay the expenses of the business, pay taxes and pay the people employed to help him run the business and make a profit on his money invested. So it is the consumer that pays the taxes. A manufacturing concern does the same thing. It will sell its products sufficiently high to pay taxes, make a reasonable profit, and pay expenses; so it is the consumer again who pays. Look at a transportation company of any kind, railroads, buses, etc., who pays the tax? People who buy tickets; the people who ride. In other words, the transportation company, whether carrying passengers, freight, or hauling tobacco and all kinds of commodities up and down the roads, has its taxes paid by the person who ~~rides~~ ^{pays the freight or rides.} If this were not so business of all kinds would go on the rocks. If power companies are taxed so much per kilowatt ^{hour} are they going to be the ones who suffer? They will pass it on to the users of power.

If the tax paid is income tax then the person who has the income pays the tax. I think I am safe in saying that only on the income tax, and in the case of the person who owns his business and does all the work himself, does the person actually taxed really pay the taxes. Because income tax is a tax on just what a person receives--his income--so ^{may} people say that is the fairest tax we have.