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Moving from Judd Gregg's dubious tax math to Robert Reich's dubious tax language

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Our blog posts here are always followed by a list of "Possibly related posts: (automatically generated)." In my early days at TIME these were embarrassingly useless, but now they're pretty good, so when I saw the link under my post on [Judd Gregg's dubious tax math](#) to something headlined "Taxes - So, is the U.S. tax system regressive or progressive?" I clicked on it. The link was broken, but a little googling sent me to [the actual post](#), by Georgetown business school professor [Ken Homa](#). It's a fair-minded look at the federal tax system that concludes:

The bottom line: all of the components are progressive: federal income taxes, estate taxes, payroll taxes. So, it logically follows that the combined program is progressive.

Progressive in this context bears no ideological freight. It simply means that if your income is higher, you pay a higher percentage of it in taxes. The only controversial point here for anybody who has looked at the data is on payroll taxes. Strictly speaking they're not progressive: because Social Security only taxes the first \$106,800 in annual earnings, those in the top income quintile pay a smaller percentage of their income in payroll taxes than those in the bottom four quintiles. Homa's argument is that because Social Security benefits are doled out according to a pretty progressive formula, the program works out to being progressive overall. I'm willing to buy that, up to a point. Somewhere in the top 10% or 5% of the income distribution things must turn regressive, as they do in the top 1% for income taxes and overall federal taxes. Still, on the whole he's undeniably right: the federal tax system is progressive, albeit with a modest regressive kink at the very top of the income distribution.

Justin Fox is TIME's business and economics columnist. This is his blog. [Read more](#)

