

AMERICAN BAPTIST RESOLUTION ON TAX POLICY

"And the Lord said unto Cain, 'Where is Abel thy brother?' And he said, 'I know not: Am I my brother's keeper?'" (Genesis 4:9). From the giving of the law to the living of the gospel in the early church, the Bible shows an overriding concern for social and economic justice. Over and over again, the newly settled Israelites are admonished to have the poor and the stranger as a primary concern (Leviticus 19:9, 10, 13, 14, 33-34; 25:35-42; Deuteronomy 15:1-11). They are even assured that they will have no poor among them if they observe the commandments of God which enjoin justice in all relationships and dealings (Deuteronomy 15:4a,5). The charge to do justice is echoed in the Psalms (Psalms 12:5-6; 41:1-3; 72:1-4, 12-14; 107:39-43; 138:4-6; 146:5-9), the prophets (Isaiah 10:1-4; 61:1-4, 8; Amos 2:6-7a; 5:10-12) and by our Lord (Luke 4:16-21; Matthew 23:31-46).

In Jesus' sole comment on taxes (Matthew 22:17-21; Mark 12:14-17; Luke 20:22-25) he made it clear that, while government has some claim on us, God's right to our very beings, that which bears God's image, is supreme. Being made in God's image and accountable to God, we must seek that which God seeks -- justice in all our dealings.

Paul also acknowledged the authority of government (Romans 13:1-7). Taxes are levied in order to maintain structure and service. Paul advised Christians to pay their share. His own life, however, demonstrated that he did not allow the government to dictate his conscience. Paul went to prison rather than disobey God who empowered him to spread the good news of freedom in Christ.

As Christians and as citizens, American Baptists recognize responsibilities to God and to government. Taxes, determined through the democratic process and used responsibly as a public trust, are a part of our stewardship. Our concern for justice leads us to insist that the revenues collected for the necessary expenses of government be apportioned with equity and fairness.

Our present system of taxation fails in several respects to meet the standard of equity and fairness. Some of these failures have developed over time as the Congress has responded to the pleas of various interest groups. "Loop-holes" have opened and complexity has set in. The tax system is not equitable. People with similar income pay widely divergent taxes. People with high income are able to avoid taxes through shelters and deductions which realistically are available only to the rich. Many perceive that these inequities contribute to the growing tax evasion by people who think that this is their only defense against unfair taxation.

The tax base is inadequate. Some categories of income are taxed at a much lower rate than earned income from wages or not taxed at all. The corporate income tax share of federal revenues has fallen from approximately 28% in the 1950's and 21% in the 1960's

to an estimated 7.4% in 2003. In contrast payroll taxes represented about 10 percent of all federal tax receipts in 1952, but 40 percent in 2003

Adjusting income tax rates is a useful tool for Congress to deal with social and economic imbalances such as inflation and unemployment. The complexity of the present system, however, makes it difficult for Congress to assess the fairness and effectiveness of changes. Therefore, passage becomes prey to the special interests which have encumbered the system we now have.

Taxes clearly have effects beyond the simple transfer of assets. Social and economic processes are affected by tax policy. Investments are often made to shelter income from taxes rather than to increase the productive capacity of industry. Businesses often relocate in order to avoid taxes and/or derive tax benefits.

Therefore, the people must have adequate ethical criteria for making hard political and fiscal choices. The following principles are basic to a just system:

1. Adequate resources for programs. The people must be willing to pay for the services they expect as citizens.
2. Simplicity. The system should be simple and fair so that perceptions of inequity are dealt with and administration is relatively easy.
3. Just apportionment of taxes. Taxes should fall on people and institutions according to their ability to pay. In this regard, regressive taxes such as sales taxes and value added taxes should be re-examined in light of the inordinate burden that they place on those least able to pay.
4. Social policy and economic vitality. The use of taxes to influence decisions in business or to effect social changes must be reconsidered in light of its inequities and inefficiencies. While the results of specific tax policies should be economic health and a constructive social climate, direct means of achieving desirable ends should be considered.
5. Encouraging voluntary agencies. The tax structure should continue to encourage the contributions of voluntary agencies to our common life.
6. Separation of church and state. In tax policy, as in other governmental policy, the historic principle of separation of church and state should be maintained. Tax exemption of churches is not a subsidy but a recognition of the right of churches and religion to exist and flourish free of the taxing and thereby controlling authorities of the state. Further, the scope of religious mission should be defined by churches and not by the taxing authority of the state.

As American Baptists seeking to be faithful to the biblical call to seek and do justice in

all our relationships, we must speak out when policies and actions operate contrary to justice and freedom for all. Therefore, the General Board of the American Baptist Churches:

1. encourages individuals and congregations to study our tax system so that we may understand any implications of the system and the suggested changes in relation to justice for all;
2. urges our members to communicate their concerns regarding any inequities of the tax system to their elected representatives; and
3. commends Congress and the President for changes in our tax system that call on those most able to pay to carry their share of the tax burden and that protect those most vulnerable from injustice by our government.

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134 For, 15 Against, 9 Abstentions

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POLICY BASE

American Baptist Policy Statement on Hunger

...we must be acutely sensitive to the need to avoid developing tax structures that lay the heaviest burden on those least able to pay.

We urge that as U.S. Government programs are formulated, either domestic or international, the cost of such programs be borne in such a way that the American poor do not bear an inequitable portion of the cost.

American Baptist Policy Statement on a Statement by American Baptists Concerning Freedom

4. We reaffirm our allegiance to the historic principle of the separation of church and state.

Supporting Position

American Baptist Resolution on Fragmented Society

All people are bound into one interdependent/social/economic/political community. This existing oneness is denied and fractured by many separate municipalities, disparate tax rates, housing codes, educational systems, and inadequate transportation. Inner-city areas frequently are abandoned to deterioration and exploitation by unscrupulous interests with high density of population, poor schools and inadequate public services. Competition for basic services pits one group against another in unhealthy tension.

The spiritual roots of this condition include fear, apathy, ignorance, prejudice and idolatry, loyalty to false values such as materialism, status, security and reverence for powers other than God...

Since our segregated and isolated living harms and enslaves all of us, we must strive, under the guidance of the Holy Spirit, for cooperation and understanding between fragmented groups which will result in positive achievements beneficial to all.

Therefore, we call upon appropriate denominational agencies, our churches and constituency to recognize the fragmentation and to accept responsibility in seeing that all persons are full and equal citizens by:

11. Revising sales and property tax structures to relieve economic stress on low and fixed income groups.
