

Taxing Intelligence/Talent (was: 'Waterhole' and land rents)

Source: <http://sci.tech-archive.net/Archive/sci.econ/2007-01/msg00265.html>

- *From:* "Dan in Philly" <[djrr8@xxxxxxx](mailto:djr8@xxxxxxx)>
 - *Date:* Sun, 21 Jan 2007 13:34:55 GMT
-

"S. Doo" wrote in message ...

The original idea was to compare intelligence with land, and taxing them.

Well, brains by themselves don't buy a high income for anyone

True, I should have specified **marketable** intelligence (also talent). IOW, something that allows you to earn more money than other people (for a given amount of work time).

And attaining a valuable scarce skill usually means first making a costly investment in education.

Also true. And (as with the LVT) people should be allowed to deduct this expense from their taxes. But note: two people can get the same education, yet one will be 'smarter' and earn more money. The question is: can we tax away the extra income of that smart person without affecting anything.

But then you have the ones working 70 hours a week to reach the huge bucks at the top of their fields -- once those bucks are taxed away, they may well say to hell with it all ...

That's why a tax on intelligence/talent may be unworkable. I don't see any way to separate earnings due to intelligence from earnings due to effort. Of course, at the high end (multi-million \$ salaries of CEOs, basketball stars, etc) you could tax all of their income above a certain amount (say one million \$) and I doubt that any of them would quit.

Dan in Philly

.