Colonists and Taxes

America, in other words, was in part created as a tax haven populated with immigrants moving from high-tax nations to low-tax colonies.

By 1714, British citizens in Great Britain [were paying](http://books.google.com/books?id=KRDZBysr5cwC&printsec=frontcover#v=onepage&q&f=false) on a per capita basis 10 times as much in taxes as the average "American" in the 13 colonies, though some colonies had higher taxes than others. Britons, for example, paid 5.4 times as much in taxes as taxpayers in Massachusetts, 18 times as much as Connecticut Yankees, 6.3 times as much as New Yorkers, 15.5 times as much as Virginians; and 35.8 times as much as Pennsylvanians.

By 1775, the British government was consuming one-fifth of its citizens' GDP, while New Englanders were only paying between 1 and 2 percent of their income in taxes.British citizens were also weighed down with a national debt piled up by years of worldwide warfare that amounted to £15 for each of the crown's eight million subjects, while American local and colonial governments were almost debt-free. Against this backdrop, Americans watched as the British monarchy attempted to raise taxes on the colonists to pay down its war debt and pay for the 10,000 British soldiers barracked in the colonies.

The bottom line: American colonists were both paid more and taxed less than the British. American taxes, in fact, were low and going lower, but the very idea that they had been raised and could be raised again by a distant power was enough to send Americans into the streets to engage in civil disobedience. Regime change followed the tax revolt.

And 239 years later, what has changed?

Americans are still wealthier and taxed less than the citizens of other nations. By some measures, federal taxes are lower today than they were in the past: Today's top marginal tax rate for individuals is 35 percent, which is higher than Ronald Reagan's 28 percent but lower than Dwight Eisenhower's 90 percent. State and local taxes, meanwhile, have undoubtedly been trending upward.

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Americans didn’t want to pay taxes?

America also cost England very little until the French and Indian War. While England fought France and Holland in Europe, defending the home island was the main objective, and the people living on it paid the government’s expenses to do so.

But when the war with France came in full force to America in 1756, Britain had to expend a great deal of money and effort to fight and win the war there. Yes, Americans were vital to that war effort, and many volunteered to fight the hated French, but in fact most colonial governments actually charged the British army for their help. British soldiers bought food and supplies at incredibly inflated prices, paid for their board, and fought beside American militia members whose colonial governments hired them out to fight, making a pretty penny for those colonies.

Once the war was over and won for Britain, Americans assumed things would return to normal. But Britain, realizing that its citizens in England were exhausted financially, while its citizens in America had actually made money on top of their usual robust economy, turned at last to those colonies to pay for their war.

The British government might have done it, too, successfully and without any problem, if it hadn’t been impatient. Rather than introduce higher export duties on American merchants and farmers, or some other more gradual measure, it came down hard with sweeping taxes that invaded every aspect of life—taxes on stamps, sugar, and tea that made life harder for all Americans.

Even these taxes might have been accepted, if Parliament had given the Americans some say in the matter. Americans had begun to expect that they should have seats in Parliament.  As British citizens, they should be able to participate in their own government. Perhaps every colony could send two representatives to Parliament, so that Americans could actually make the laws that would affect them. But the British government refused. Despite American claims to the rights of Englishmen, there was no denying that almost from the start of the colonial era there had been a clear divide between America and England, and a sense of alienation on both sides. (see [Why did America Rebel against Britain?](http://thehistoricpresent.wordpress.com/2009/05/04/why-did-america-rebel-against-britain/) for more.)

So London did not really accept Americans as Britons, or America as just another branch of England. America was a colony, a possession, a piece of property, and its people were not British citizens but dependents on Britain. There could be no seat in Parliament for a foreign people under British rule.

When the Americans realized they would not be given a say in their own government, including what taxes were levied on them, their willingness to help pay for the French and Indian War evaporated and a rallying cry was born: “No taxation without representation.”

"Revolutionary War Myth #2: Americans didn't want to pay taxes." The Historic Present. http://thehistoricpresent.wordpress.com/2009/05/27/revolutionary-war-myth-2-americans-didnt-want-to-pay-taxes/ (accessed August 27, 2014).