Unjustly taxed: The Bible and politics in Alabama

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When has a master's thesis in theology ever spurred a governor to try to amend his state's constitution? Perhaps only in the case of Susan Pace Hamill, whose concern for justice and knowledge of tax law led her to write The Least of These: Fair Taxes and the Moral Duty of Christians, *a biblical critique of Alabama's tax code. Hamill wrote the thesis—which later became a pamphlet—in 2001 as part of a sabbatical year at Beeson Divinity School in Birmingham. She was on leave from the University of Alabama Law School.*

Hamill's arguments caught the attention of Republican Governor Bob Riley, who in 2003 led a movement to make taxes less burdensome for the poor. Though Hamill feared that the proposal did not go far enough, she publicly campaigned for it as a step in the right direction. Riley was explicit in saying that his own Bible-based beliefs about Christians' duty to care for the poor inspired him to take his stance.

However, Alabama voters were not persuaded. They rejected the referendum by a 2-to-1 margin. It was staunchly opposed by the Christian Coalition of Alabama.

We spoke to Hamill about her moral critique of taxes in Alabama and about her experience with making biblical arguments on a public issue.

What specifically is unfair about Alabama's tax law?

First, Alabama has sales taxes that reach as much as 11 percent on staples like bread and milk. Sales taxes always take a comparatively bigger bite from those with fewer resources. Alabama relies on sales taxes for more than half of its revenue. The national average is around a third.

Second, the state income tax applies to many who are already in poverty. Incomes as little as $4,600 a year are subject to taxation. A family of four whose income is exempt from federal income tax is hit up for nearly $500 in state income tax.

Finally, property taxes in the state are the lowest per capita in the nation, and taxes on the most valuable properties are almost nonexistent. It's bad not to tax a $100,000 house enough. It's far worse not to levy much tax on a 200,000-acre timber farm that is producing tons of money. Seventy-one percent of the land is covered with timber, and that class of property pays less than 2 percent of what the state collects in property tax revenue. And we treat the 200,000-acre farm owned by Westinghouse or Gulf State Paper as if it were no different from Farmer's Joe's 200-acre farm. Corporations pay less than a dollar an acre.

Meanwhile, close to 90 percent of public schools have been rated D or F in spending per student. When you get into the rural areas it's even worse.

How in the world are you going to get minimally adequate revenue when you practically exempt your wealthiest land from anything close to fair taxation?

How do your opponents—who also wanted to use biblical language—respond to your arguments for fairness in tax law?

Their response was mostly to attack me as a carpetbagger or worse. They said that it's up to the church to take care of the poor and that low taxes help people do that. They said I obviously wanted to increase taxes and hurt families.

Let's consider that argument. First, does charity replace justice? The answer is clearly no. You can have a decent amount of charity going on in the midst of unjust laws. An A+ record in charity can't turn an F in injustice into a C average. Things don't work that way. And all the charity in the world is not going to produce the fairness in taxation we need. People are just too greedy to give things up voluntarily.

Any reasonable reading of the biblical account of the Fall teaches us that on our own we're not going to do the right thing, and we're certainly not going to voluntarily give up what we should. That's why tax laws exist.

I was concerned about families. I was talking about lowering taxes for a lot of families and raising taxes for others so that the result would be just. I said a family of four struggling at below the poverty-wage level is very different from a family of four whose breadwinner earns $200,000 a year. So which families are we talking about hurting?

Obviously, opponents of tax reform were protecting the wealthy families. And that's who is funding them. I can't prove it, but many people in Alabama believe that the state's Christian Coalition is funded by big timber interests.

Have your arguments about state tax fairness led to any reflection on federal tax policy?

Yes, especially since many in the Republican administration, President Bush being the most visible example, are quite openly and proudly evangelical Christians. Over the past two years we've had a wave of tax cuts for the rich. These tax cuts would have been far more generous had the administration gotten everything it wanted.

The federal question is much more complicated than the Alabama situation. The federal income tax exemption takes poverty wages out of the equation. What has happened is the erosion of a moderately progressive tax regime. The tax burden has moved away from the wealthiest individuals and corporations and toward the middle class. Doing this has the effect of starving federal revenues, which usually results in cuts in programs designed to help "the least of these."

I am appalled by the utter lack of moral discussion about this move. People in Washington are asking only whether the cuts will stimulate the economy. Even if the economic studies proved that the economy would grow in the way that President Bush and his people keep promising, that's merely information that needs to be part of the moral analysis. That is not moral analysis by itself.

So here we have a bunch of folks claming to be evangelicals who aren't even thinking about an important moral issue.

My article on the Alabama tax code draws on divine command ethics and cites over 100 evangelical commentaries—all quite conservative resources. It argues that if a community is run by the market, then Mammon has triumphed over God. In other words, if the least among us have no minimum chance to succeed, the community is not reflecting godly values.

I'm so tired of hearing folks claim that somehow charity will make up for inequity in taxation. It won't. Evangelicals should go back and read about the Fall. They are pretending that somehow people are not tempted by the sin of greed. That is inconsistent with the way any Bible-believing person believes.

If a biblical argument for progressive political causes like fair taxation doesn't work in Alabama, where can it work?

Riley's plan did not fail because of the biblical arguments for it. It failed because there wasn't enough grass-roots support for it. That's because it didn't have much time to succeed. My work became public in August 2002 and Riley's plan came out in May 2003. It failed also because Alabamians have a huge lack of trust in government.

In my opinion only the moral approach can result in fair taxation because only such an approach has a chance of defeating greed. In fact, what we may need is a genuine religious awakening to a vision of faith that requires sacrifice. Religious ceremony and revivals mean little if your heart is not right with God. And your heart cannot be right no matter how much you worship if you don't care about injustice when you could do something about it.

Did you notice any difference in how black and white Alabamians responded to your arguments?

I spoke to African-American audiences several times and they responded very well. But they weren't great fans of Governor Riley, who is a Republican and a rich white guy. He doesn't really have populist inclinations. And he vetoed a bill that would have restored the voting rights of nonviolent felons who have served their prison time. I don't know why he vetoed it. I'm not buddies with him. A lot of Riley's fellow Republicans were really upset with him for his support of tax reform. Maybe he was trying to appease them with his veto of voting rights.

Anyway, that decision angered many folks. There wasn't as much African-American support for tax reform as there should have been.

Were you surprised when Riley first came out with a tax proposal that reflected your arguments?

Yes and no. It was probably the most politically courageous thing anybody could have done, so that part was a surprise. But everything I've read and heard about the governor suggests that he is a man of genuine faith. And you can't be a genuine Christian in Alabama and not have the issue of fair taxes in your mind. The quite conservative Beeson Divinity School faculty unanimously endorsed my work by way of a public resolution.

Did you ever think that tax law would make you a political mini-celebrity?

No. And I have to say that tax law reform was not my first idea when I went to Beeson. My original thesis was going to be a theological critique of the degree of deference the law gives to the decisions of corporate executives. It was going to be the kind of academic study that might have been a candidate for publication in a prestigious law journal such as the *Harvard Law* Review.

I have to admit also that when I came to Alabama in 1994 to teach, the issue of the state's tax policy was not on my radar.

I did notice that the sales tax was too high and that the property taxes on my house were ridiculously low. I thought, "Gee, isn't that nice? I don't have to pay as much in tax here."

Meanwhile, on the income side, I would write checks to Uncle Sam and get a refund from the state of Alabama. If I thought about this situation at all, I shrugged it off as something that was not my business. What kind of attitude is that?

I also noticed that my kids' teachers were constantly begging for donations for things that should have been paid for by the school budget. I would hand over the donation and sometimes give more than asked, thinking I was being a nice person. But the plight of the vast numbers of schools in the black belt and in all the rural areas wasn't even on my radar.

While at Beeson I saw a little newspaper article that cited a study by a Washington, D.C., think tank on state income taxes. It said Alabama's income tax was the least fair of the states, taxing income as low as $4,600 a year. I thought it was a misprint. I had the library pull the source and realized it was right.

Then I started to think about biblical principles of justice. I talked to some Beeson professors, especially Frank Thielman, a New Testament scholar, and explained the broad contours of how the tax system works and how it seemed completely unbiblical. I asked Thielman, "Do you think I have a case to make a biblical attack on this?" He said I had an ironclad one. And he said I should change my thesis and biblically attack the taxes because I was the only one who could do it.

That's when my theological expose of the business judgment rule went out the window. I figured I had a responsibility to document the tax inequity. No one's been

able to poke a hole in my argument.

Did I expect much to happen with it? Well, I expected that I would tick off a few people, that I would ruffle some feathers. Did I expect the explosion that happened? No, not at all.

Tell us about your church affiliation.

I went to Beeson as a sleepy mainline Methodist. Beeson is unapologetically evangelical. There's a lot about the way evangelicals do things that I find very attractive. Real evangelicals are actively engaged in their faith. Real evangelicals have a certain humility because they take the Fall seriously. They have a sense of their need of the scripture and of the Holy Spirit. And they read the biblical text wholistically. They don't confuse justice and charity.

Our opponents try to paint us moderates as communists. They suggest that you either believe in their position, which basically is worship of the free market, or you're a communist. And that's nuts. The Christian Coalition of Alabama gives all of Christianity here a bad name.

Some of what you're saying sounds quite Methodist—however sleepy you might have been when you came to seminary. Your talk of the need for a religious revival is deeply rooted in Methodism's own evangelical and revivalist tradition. So is your insistence that faith has to produce social holiness, not just personal piety.

I think all of that's true about Methodism. It's all about grace and empowerment by the Spirit and living out your own talents, working toward corporate holiness. It's making your contribution to the kingdom until the time it's fulfilled, realizing the kingdom is never going to be fulfilled until Jesus comes again—which doesn't allow you to sit around and take no interest in what's happening.

It's just not defensible to think that all you have to do is believe, be saved, try to convert other people, do your good works of charity and keep your nose clean. There's so much more in that biblical witness than that, including: to whom much is given, much is required.

In the Bible, justice and charity really are different things. I call them the two pillars of one's response to the world. You can't rely on just one pillar or the foundation

falls. You can’t rely solely on people’s charity because people are too greedy.

I started my professional career working in big New York City law firms. Pure tax law work is about creating and exploiting loopholes. I was deep in the market, something of a modern Pharisee. So I know something about greed.

Governor Riley was convinced by your biblical argument for tax law reform. Have others been converted by those arguments?

I have seen people come around. I have also seen people embrace the biblical argument who were more or less already convinced on some level that economically we were shooting ourselves in the foot with the tax code. My arguments gave them a new angle from which to think about this.

People who are actively engaged in their faith are not just following a set of rules blindly without using their brains. There really is a chance of reaching them.

Of course, there are people who believe in supply-side economics as gospel because it jibes with their common sense and happens to serve their self-interest. They’re not going to bother to look at the voluminous literature that casts doubt on whether it’s really true.

I’m trying to demand that taxes be fair under rigorous moral analysis. As with all biblical things, there’s space in which people can agree to disagree. I’m not saying that my way is the only way when we get into the gray areas. But if we can get our states and our country to think about and argue about taxes within a moral framework, we’re going to end up closer to the kingdom than we are now.