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CRY WOLF!



The incisive newsletter for tax analysts with too much time on their hands.

Zombie Ideas

Economist Paul Krugman has come up with the fascinating concept of a zombie idea; "In case you're wondering, a zombie idea is a proposition that has been thoroughly refuted by analysis and evidence, and should be dead — but won't stay dead because it serves a political purpose, appeals to prejudices, or both. The classic zombie idea in U.S. political discourse is the notion that tax cuts for the wealthy pay for themselves, but there are many more."[1]

A closely related concept is that of the cockroach idea; "Three decades ago, when I went off for my year in the U.S. government, an old hand explained to me the nature of the job: it was mostly about fighting bad ideas. And these bad ideas, he went on to explain, were like cockroaches: no matter how many times you flush them down the toilet, they keep coming back."[2]

Reviewing what we see around us we must ask, are there enough zombie hunters and Doom® users today?

- Olfo and Pawsa Rilpa

Zombies and Tax

Even if aware of the concept of a zombie idea one does not often consider what would happen to the tax system in a zombie apocalypse. Concerns around survival and not shooting Bill Murray by mistake understandably take precedence.

Yet an intrepid American scholar has ventured into the field. Professor Adam Chodorow of Arizona State University writes in his article "Death and Taxes and Zombies" in the Iowa Law Review;[3] "The U.S. stands on the precipice of a financial disaster, and Congress has done nothing but bicker. Of course, I refer to the coming day when the undead walk the earth, feasting on the living. A zombie apocalypse will create an urgent need for significant government revenues to protect the living, while at the same time rendering a large portion of the taxpaying public dead or undead. The government's failure to anticipate or plan for this eventuality could cripple its ability to respond effectively, putting us all at risk."

Eager readers should follow the footnoted link to learn more about the problems of the taxation of zombies, vampires and ghosts, if only from a U.S. perspective. South African laws, as well as beings such as tokoloshes, will have to await a bold local researcher. Will you be the one?

- Olfo and Pawsa Rilpa

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1 http://www.nytimes.com/2013/02/15/opinion/krugman-rubio-and-the-zombies.html

2 http://krugman.blogs.nytimes.com/2013/02/02/cockroach-ideas-2/

3 http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2045255