

Higher Taxes are Coming. Head for Your Bunkers.

By [The Mogambo Guru](#)

07/23/10 Tampa, Florida – In the calming environment of the Big Mogambo Big Is Better Bunker (BMBIBB), I can finally relax by sitting, armed to the teeth, amongst my puny trove of gold, silver and oil, idly trying to say, “Big Mogambo Big Is Better Bunker” five times quickly until my seething, vaguely homicidal rage at the Federal Reserve and the socialist/fascist/communists in the White House and Congress that have destroyed us all.

Still, I can find no respite from the paralyzing fear of economic catastrophe as I wait for a huge avalanche of people, who are sitting on unrealized profits of any kind, to sell the profitable asset, realize the profit, and willingly pay the tax on the gains.

I see the quizzical look on your face, as you wonder, “What in the hell are you talking about, Lunatic Mogambo Weirdo (LMW)? Does this have anything to do with tacos, pizza, Chinese food or making money without working, or does it really have something to do with taxes, which you are far too stupid to understand, so who’s fooling who here?”

Well, if there is such a thing as the hypothetical “rational economic man,” then this “sell everything!” scenario is exactly what will happen because taxes of all kinds, including the all-important income taxes and capital gains taxes, are going to all go up by – hold onto your hats! – almost a third or more next year!

Right now, the marginal income tax rates are 10%, 15%, 25%, 28%, 33% and 35%, which is the range of six different tax rates for the few people that make enough money to actually pay any federal income taxes, which seems like such a quaint anachronism these days because more people receive money from the government than people who pay the government, which explains why the budget deficit this year – alone! – is \$1.4 trillion or so, and when including the inevitable supplemental appropriations throughout the year, will surely be near staggering \$2 trillion, bringing total federal government spending to almost \$5 trillion, whereas all the business and personal income taxes collected for the whole year is less than \$1.5 trillion!

And yet, with that kind of staggering imbalance, there are 6 income tax brackets! Hahaha! 6 brackets! Hahahaha! Income taxes are now just chump change for the government, for one thing, and yet it has to be complicated, too? Thanks, Congress, you corrupt morons! Hahaha!

According to the Tax Foundation, “All taxpayers” paid a total of just over a \$1.1 trillion in 2009, and thanks to the [taxpolicycenter.com](#), I see that corporate taxes were a mere \$250 billion pittance in comparison.

The surprising and alarming thing is the amazing, cancerous growth of payroll taxes over the years, which now collects almost as much tax as individual income taxes! Hahahaha!

Pardon my laughing at the sheer stupidity that creeps into government, and the sheer stupidity of the people who elect the stupid representatives in the stupid government that stupidly create such sheer tax stupidity, but this is not real laughing, like when you are laughing at a funny joke.

For example, notice how you can't help but laugh at this joke: "How many mainstream economists who agree with the neo-Keynesian econometric theoretical underpinnings of the Federal Reserve does it take to change a light bulb?"

Answer: "None, because they are too stupid to realize that the light has actually burned out, and they think that by merely lowering interest rates and creating more money, they can raise the 'animal spirits' of the light bulb to light again, and again and again, as many times as needed, and everything will then be fine from then on, as many times as needed, but in the meantime they are all stumbling around in the dark trying to make the light bulb incandesce again trying various magic tricks, like just throwing money out into the darkness." Hahaha! See? It's funny!

Now that is real laughter! On the other hand, my laugh is a kind of nervous titter, accompanied by shifty eyes narrowing to slits and by my shaking hands furtively inching towards bulging shoulder holsters, all of these behaviors being indicators that I am So Freaking Scared (SFS) that I want to start blasting a path to the safety of the Mogambo Bunker For Scaredy Cats (MBFSC) so that I could lock myself in, safely away in a panicked shoot-first-and-ask-questions-later defense from the calamitous destruction that always ultimately befalls an economy that is so stupid, so unbelievably stupid, so tragically stupid, as to construct an entire economy around the belief that there is such a thing as a "free lunch for everyone" through government deficit-spending, despite racking up a national debt (\$13.3 trillion) that is almost 95% of GDP (\$14 trillion) to pay for the "free lunch" so far! Gaaahhh!

Fortunately, this is not about how I am such a sniveling coward, but about how the current tax regime is scheduled to expire at the end of this year, and then the tax rates automatically go back to five brackets of 15%, 28%, 31%, 36% and 39.6%, unless Congress "does something."

And unless the government "does something", then selling assets to realize a profit before the end of the year means paying a third less taxes than if you sold next year! Big savings!

Alas, most of us realize at this point that the government will "do something," by which I mean "borrow and spend money," and things will get worse, and inflation will surge as the filthy Federal Reserve "does something" by creating staggering amounts of money to accomplish it.

And if you want something to do, too, then buy gold, silver and oil, because such fiscal and monetary stupidity makes the decision to buy them so easy that you positively giggle with childish delight, "Whee! This investing stuff is easy!"