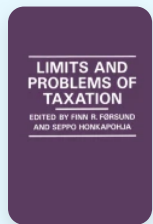


[Home](#) > [Limits and Problems of Taxation](#) > Chapter

The Ethical Limits of Taxation

| Chapter

| pp 4–16 | [Cite this chapter](#)



Limits and Problems of Taxation

James M. Buchanan



 Part of the book series: [Scandinavian Journal of Economics](#) ((SJE))

 25 Accesses  3 [Citations](#)

Abstract

Normative tax theory has concentrated on the distribution of tax shares to the neglect of the absolute level of taxation. The first Rawlsian principle of maximal equal liberty is introduced to derive limits on the absolute level of taxation. The critical requirement is that the freedom of persons, singly or in coalitions, to form new political associations be counted as a relevant liberty in the Rawlsian array. Simple examples illustrate the argument, and critical parameters are identified and discussed briefly.

I am indebted to Geoffrey Brennan, David Levy and Loren Lomasky for helpful comments on earlier drafts of this paper.

 This is a preview of subscription content, [log in via an institution](#)  to check access.

Access this chapter

[Log in via an institution](#) →

^ **eBook** **EUR 9.99**
Price includes VAT (Poland)

- Available as PDF
- Read on any device
- Instant download
- Own it forever

[Buy eBook](#) →

^ **Softcover Book** **EUR 50.28**
Price includes VAT (Poland)

- Compact, lightweight edition
- Dispatched in 3 to 5 business days
- Free shipping worldwide - [see info](#)

[Buy Softcover Book](#) →

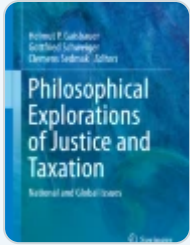
Tax calculation will be finalised at checkout
Purchases are for personal use only

[Institutional subscriptions](#) →

Preview

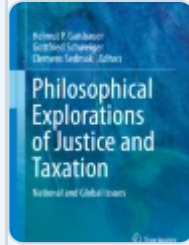
Unable to display preview. [Download preview PDF](#).

Similar content being viewed by others



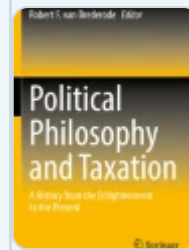
Outlining the Field of Tax Justice

Chapter | © 2015



Justice, Equality and Taxation

Chapter | © 2015



Introduction: The Value of a Political Theory for the Proper Application of Taxation

Chapter | © 2022

Notes

- 1 In several earlier papers, written separately and jointly, I have analyzed limits on taxation from a constitutional perspective. See, James M. Buchanan, “Constitutional Constraints on Governmental Taxing Power,” *ORDO*, Bd. 30 (Stuttgart: Fischer, 1979), pp. 334–359; “Procedural and Constitutional Constraints on Fiscal Authority,” in *The Constitution and the Budget*, ed. by W. S. Moore and R. G. Penner (Washington: American Enterprise Institute, 1980), pp. 80–84; “The Limits of Taxation,” in *The Constitutional Challenge*, ed. by M. James (St. Leonard’s, N.S.W.: Centre for Independent Studies, 1982), pp. 113–130; and

[Google Scholar](#)

James M. Buchanan and Geoffrey Brennan, “The Logic of Tax Limits,” *National Tax Journal*, 321 (June 1979), 11–22. The justification of tax limits in this perspective was largely, if not exclusively, based on the predicted working properties of postconstitutional political processes.

[Google Scholar](#)

- 2 Knut Wickseil, *Finanztheoretische Untersuchungen* (Jena: Gustav Fischer, 1896);

[Google Scholar](#)

Erik Lindahl, *Die Gerechtigkeit der Besteuerung* (Lund, 1919). See, also, my paper, "Taxation in Fiscal Exchange," *Journal of Public Economics*, 6 (1976), 17–29.

[Google Scholar](#)

3 For such models, see, Geoffrey Brennan and James Buchanan, *The Power to Tax* (Cambridge: Cambridge University Press, 1980).

[Google Scholar](#)

4 For analysis, see *Explorations in the Theory of Anarchy*, ed. by Gordon Tullock (Blacksburg: Public Choice Center, 1972); also, my, *The Limits of Liberty* (Chicago: University of Chicago Press, 1975).

[Google Scholar](#)

5 J. R. Kearl has supported the collective claim to a share of valued output along essentially the lines sketched here. Kearl, however, explicitly states that the question as to the extent of this claim "has no quantifiable answer" (p. 80). See, J. R. Kearl, "Do Entitlements Imply that Taxation is Theft?," *Philosophy and Public Affairs*, 7 (Fall 1977), 74–81.

[Google Scholar](#)

9 I am particularly indebted to Loren Lomasky for pointing out to me the Rawlsian emphasis on maximal liberty. I had earlier, like many others, interpreted the first Rawlsian principle largely in terms of the equal liberty element. For a paper in which both these elements of the Rawlsian principle are used, see, James M. Buchanan and Loren Lomasky, "The Matrix of Contractarian Justice" (Draft paper prepared for Liberty Fund Conference on "Liberty and Equality," Key Biscayne, Florida, November 1983).

[Google Scholar](#)

11 Cf. Charles Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy*, 64 (October, 1956), 416-424.

[Article](#) [Google Scholar](#)

Author information

Authors and Affiliations

Center for Study of Public Choice, George Mason University, Fairfax, VA, USA

James M. Buchanan

Editor information

Editors and Affiliations

University of Oslo, Norway

Finn R. Førsund

Yrjö Jahnsson Foundation, Helsinki, Finland

Seppo Honkapohja

Copyright information

© 1985 The Scandinavian Journal of Economics

About this chapter

Cite this chapter

Buchanan, J.M. (1985). The Ethical Limits of Taxation. In: Førsund, F.R., Honkapohja, S. (eds) Limits and Problems of Taxation. Scandinavian Journal of Economics. Palgrave Macmillan, London.

https://doi.org/10.1007/978-1-349-08094-6_2

[.RIS↓](#) [.ENW↓](#) [.BIB↓](#)

DOI	Publisher Name	Print ISBN
https://doi.org/10.1007/978-1-349-08094-6_2	Palgrave Macmillan, London	978-1-349-08096-0
Online ISBN	eBook Packages	
978-1-349-08094-6	<u>Palgrave Economics & Finance Collection</u>	
	<u>Economics and Finance (R0)</u>	

Publish with us

[Policies and ethics](#) 

Search

Search by keyword or author



Navigation

Find a journal

Publish with us

Track your research