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Robert W. Wood THE TAX LAWYER

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Occupy The Tax Code?

This may seem hard to believe, but taxes and protests have a long tradition. Just look at the tea party. Well, not the recent one, but at our American historical one that was one of the catalysts of the American Revolution. Dumping a bunch of tea into Boston Harbor may sound quaint today, but it was probably



Zhili residents riot in opposition to tax increases (10/26/11).

pretty daring a couple hundred years ago, especially if you like tea.

The Occupy movement has disparate goals that can be hard to articulate. Only a little bit of it seems to be expressly about taxes, although some of the redistribution of wealth goals surely raise tax issues too. But as you look at national and even global protests, most do not seem to be about taxes. See <u>Protesters Debate What Demands, if Any, to Make</u>.

Business owners do not generally seem like rabble rousers in most places, but taxes can consume a major (in some cases *the* major) share of gross receipts. In eastern China, small business owners and workers staged serious protests over tax issues. See <u>Tax Protests Rock Eastern</u> <u>China Town</u>. Reports of the protests varied substantially, with some local media saying there were about 600 protesters, while others said a far greater number of people participated.

"At least 100 cars have been smashed, including 10 police cars, and one armored police car has been burned," the Hong Kong-based Information Centre for Human Rights and Democracy said in a statement. See <u>Thousands clash with police in China</u>.

Other domestic media reported 28 people were detained after the mayhem, in which more than 30 cars were damaged, some of them burned. A handful of people were injured. No deaths were reported.

What was all the fuss? Reports were sketchy, but it appears that the local government in a town known for making children's clothing decided to increase a per person monthly tax on textile workers. The increase was like going from newborn size to extra large. The whole mess was apparently sparked by an announcement that the monthly tax on textile workers would rise from 250 yuan (U.S. \$40) to 638 yuan (U.S. \$100) per person. See <u>Officials Blamed for Tax Riots</u>.

The local tax collectors obviously hadn't planned on such a vociferous response. Authorities sent large numbers of armed police into the city to quell the unrest. And the unrest wasn't exactly coupon clipping or even defiling tax returns, as tempting as that might be. This involved overturned cars, burning vehicles and more. Reports included storming of government buildings, burned police cars, and smashed windows.

If you need proof that protests can work, here it is: the Chinese town that announced the ramped up textile tax backed off. In its brief statement, the government said a tax on children's wear processors had been suspended but offered no details. It said a tax-bureau official, who it identified only as Xu Rongquan, was suspended and under investigation. See <u>Chinese Town Cancels Tax That Sparked Riots</u>.

For more, see:

<u>Hundreds of migrants protest tax dispute in east China, blocking roads,</u> <u>torching vehicles</u>

Thousands clash with police in China

Soldiers curb unrest in Chinese factory town

Robert W. Wood practices law with Wood LLP, in San Francisco. The author of more than 30 books, including Taxation of Damage Awards & Settlement Payments (4th Ed. 2009, Tax Institute), he can be reached at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.