

Tip of the Iceberg

Erica is a senior in high school, and she has also recently become the primary bread-winner in her family. When not in school, she waits tables at a local restaurant. She has picked up all the extra hours that she can while still maintaining her good standing in school. However, even her best efforts are not enough. Erica and her family are out of money and out of options, and they need to find a way to make ends meet.

One way for Erica to save money is to not report her tips as income to the IRS. She makes a significant amount of money through tips, and if she reports this money then it will be taxed, and Erica and her family will fall short of what they need to pay the bills. However, if she does not report this money then it will not be taxed, and Erica and her family will have what they need to pay the bills.

Erica assumes that her chances of being caught are low, since, she thinks, the IRS will probably not bother to audit somebody like her. Still, Erica feels morally conflicted. After all, she thinks, if she did not report the tips, then she would be stealing money from the state and its citizens. Then again, Erica thinks, desperate times call for desperate measures. She did everything that she could to earn money legally, and that turned out to be impossible. So, maybe stealing is justified in this kind of situation.

Erica also worries that if she cheats on her taxes to support her family now, then she might be willing to do other, even worse things to support them in the future, such as stealing food or money from the restaurant. But how likely is that to happen? And if it did happen, would that be such a bad thing?

STUDY QUESTIONS

1. Morally, not paying taxes the same as stealing from the state and its citizens? Why or why not?
2. Are we less morally responsible for lying, cheating, or stealing if our economic circumstances coerce us into doing so?
3. Is there a line between illegal activities that can be justified by economic coercion and illegal activities that cannot be justified by economic coercion? If so, where is that line and why?

