

## My First “Real” W2

by Steven R. Pigeon

Like most of Wisconsin workers, I received my 2006 W2 in January. However receiving my W2 had special meaning, for 2006 was the first year that I worked in the “real word” and had a household income above the federal poverty level. Then it dawned on me, 2007 would be the first year that I would have to pay real taxes, and that I would not receive a nearly complete refund.

With the realization that I actually had a tax burden, I looked into what my tax dollars truly buy me, a middle class first-year young professional. Not surprisingly the most eye-bulging number on my W2 was my federal income tax withholdings. This number, equivalent to 5.75 months rent for me, purchases me national defense, space exploration, national parks, and a number of services.

I also know that some of these federal tax dollars also buy me a “bridge to nowhere” and a tremendous amount of pork barrel spending. Assuming that 80% of my federal income taxes is wisely spend - I acknowledge that this may be overly optimistic - 20%, or over one months rent, is wasted on unneeded, unwanted, wasteful government spending.

The second largest number on my W2, with an approximate value of 2.75 months rent, was my Social Security tax withholding. In my mind this money goes straight to my two grandmas. Unlike my grandmas and my parents, I doubt that I will ever benefit from this particular government program.

Attempts by President Bush to allow younger individuals, like myself, to create personalized Social Security accounts was dead on arrival in Congress. With a continuous election cycle, no politician is brave enough to make any changes to the current state of affairs and allow younger individuals to provide retirement saving for themselves.

Understanding that the best person to look out for my future is me, my W2 also shows that I have contributed 2 months rent to my 401(k). This rate of contribution has since been increased. I also have acted like a responsible individual and have set up a health savings account (HSA) which allows me to save pretax dollars now while I am young, for future medical needs.

Governor Doyle believes that, since I see the value in saving money for my future health care needs, I must be an obscenely wealthy individual. Governor Doyle believes HSA's are a way for wealthy individuals to hide money from the government. This is how Governor Doyle justified vetoing three bills that would have allowed Wisconsin residents to deduct their (HSA) contributions from their state income taxes.

I challenge Governor Doyle to look at the salary posted on my W2 and then look at the months of rent that I paid in taxes and honestly tell me that I am one of the wealthy few. The wealthy, apparently like me, in over 45 other states are able to deduct their HSA contributions from their state taxes. *Milwaukee Journal Sentinel* columnist Patrick McIlheran estimates that his inability to deduct HSA contributions from his state income tax will cost him \$120, or one week's of groceries<sup>1</sup>. For me this is equal to a month's worth of groceries.

After providing the federal government with approximately 8.5 months rent I am frightened to learn what my State of Wisconsin tax liability will be. I am curious how many months of rent will go towards failed computer systems, University of Wisconsin professors that teach that the federal government is responsible for the 9/11 attacks, providing unnecessary sick pay benefits to state legislators, and administering the \$1.5 billion in tax increases that the governor has proposed.

After reviewing my first "real" W2 I have come to the conclusion that the federal government likes my money now and has no realistic plan to help me in the future. The State of Wisconsin thinks I am so wealthy that I evilly hid my money by saving it for future health care needs. Finally, after reviewing my W2, I have come to the conclusion that I need a cheaper apartment.

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<sup>1</sup> McIlheran, Patrick: State's health care snit costs a week's groceries, *Milwaukee Journal Sentinel* 2/24/07