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You Paid Your Taxes. So How About a Receipt?

Giving the public a detailed view of what their taxes pay for is a way to encourage citizens' involvement in how government spends their money.

Happy Tax Day! Once you've filed your federal taxes, wouldn't you like a receipt? After sending all that money to the IRS, don't you feel entitled to some detail on what you bought? If so, go to Balancing Act's FederalTaxpayerReceipt.com, which is based on a budget simulation produced by Bipartisan Policy Center. Answer a few quick questions, click submit, and the next page looks like a Home Depot receipt, itemizing how many of your tax dollars went to defense, health care, highways, national parks and more.

If your filing status is single, you earned the 2015 average income of $46,120 last year and you don't have any additional dependents, for example, you paid about $1,099 for defense, $37 for Temporary Assistance for Needy families (what used to be called welfare), $110 for highways and $101 for Obamacare subsidies. You can also get estimated figures for NASA, national parks, Social Security, interest on the debt and more. Try it out. You may be surprised at what you learn.

While it's certainly interesting to see where your federal taxes go, it can be just as instructive for other levels of government. In local government, for example, "the taxpayer receipt is a viable information-sharing tool that can be used to educate and inform citizens about numerous aspects of government at the community level," wrote Whitney Alfonso, an assistant professor in the University of North Carolina School of Government, in a 2014 paper on early governmental efforts to create taxpayer receipts.

Wheat Ridge, Colo., is one local government that has taken on this challenge. The Denver suburb of about 30,000 has published its own version of a taxpayer receipt based on estimates of sales and property taxes. Sales tax is estimated by asking for total income and age to get an approximation of how much income is available to purchase sales-taxable items. For property tax, users are directed to the assessor's website to look up assessed value.

Here's a typical example. A 43-year-old Wheat Ridge resident making the local average income of $31,828 who owns an average-value home of $253,337 (assessed value of $20,165) and who makes 70 percent of his purchases within city limits would pay approximately $297 toward city services, including $89 for police, $41 each for public works and parks and recreation, and $3 toward the city manager's operations.

Whether or not paying these amounts for these services is a good deal is, of course, in the eye of the beholder. But if you have ever dialed 911 at 3 a.m. and minutes later had a police officer at the door ready to put her life on the line for you, you might well have thought you were getting your money's worth.

However, the value of a government taxpayer receipt goes deeper than "simply an accounting of a taxpayer's total tax burden," writes Alfonso, by "encouraging even greater citizen involvement in the budgeting process." That can lead to better public understanding of tough public-finance issues and

help create a fact-based dialogue about priorities.

Tax receipts also serve as an educational tool for hard-to-illustrate facts, such as how property-tax revenue is split among public entities such as municipalities, counties and school districts. An administrator in a town with high property values told me she wanted residents to know that even though they pay high property taxes only a sliver goes to the city. Municipal receipts can also be a subtle reminder to buy local by illustrating that purchases made elsewhere pay for someone else's sidewalks.

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