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Funding Government Schools: A Study in Tax Evasion, Ethics, Public Finance and Governance and the Morality of Forced Tax Collection

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ABSTRACT: This article examines the ethics and public finance dimensions of tax-funded government schooling through a simple hypothetical case set in the fictional village of Fahrquat Corners. In the scenario, a majority coalition of parents uses the political process to compel dissenting residents, under threat of violence, to contribute to the cost of educating other people's children. The case is used to probe whether such compelled transfers differ in any morally relevant way from armed robbery when carried out by private individuals, and whether democratic authorization or legislative form can convert an otherwise impermissible taking into a legitimate method of funding education. The analysis connects this thought experiment to the broader literature on tax evasion, the morality of forced tax collection, and the governance of public finance, and asks whether refusal to pay for government schools should be viewed as unethical tax evasion or as a defensible response to coercive redistribution. The study aims to open a normative discussion that has been largely neglected in both the ethics and public finance literatures on the funding of government education.

KEYWORDS: Tax evasion, Public finance, Government schools, Ethics of taxation, Forced tax collection, Governance, Property rights, Majority rule, JEL Codes: H24, H26, H41, H52, I22.

INTRODUCTION

Many studies have been done on tax evasion. Adams (1982, 1993) wrote two books on the history of taxation and the attempts that have been made over time to avoid or evade being taxed. Crowe (1944), a Catholic priest, surveyed 500 years of Catholic literature on taxation and tax evasion, and found that the Catholic religious literature had some support for justifying tax evasion under certain circumstances. Other religious studies have been made on attitudes toward tax evasion in Christianity (Gronbacher, 1998; Hamill, 2013; Jonsson, 2013; McGee & Benk, 2019; North, 2013; Schansberg, 1998; Smith & Kimball, 1998), Islam (Achim, 2022; Ahmad, 1995; Gueydi, 2022; Jalili, 2012; McGee, 1998c; Murtuza & Ghazanfar, 1998; Neifar & Aissa, 2022), Hinduism (Bose, 2012), Judaism

(Cohn, 1998, 2012; McGee, 1998b; Tamari, 1998) and Baha'i (DeMoville, 1998).

A subset of that literature addresses the ethics of tax evasion from a secular perspective, usually referring to the ethics of evading the income tax. Such studies have been conducted in several countries, including England (James et al., 2019), Greece (Ballas & Tsoukas, 1998), Ghana (Bruce-Twum, 2023), Ireland (Killian & Kolitz, 2004), New Zealand (Gupta, 2006), South Africa (Killian & Doyle, 2004), the United Kingdom (Collymore, 2020) and Russia (Preobragenskaya & McGee, 2016), to name a few.

Some studies have mixed theology, philosophy and ethics into a single study or series of studies (McGee, 1998a, 2004, 2016, 2025, 2026; McGee & Shopovski, 2026a, 2026b; Torgler, 2003, 2007;

van Brederode, 2020, 2022, 2025). Studies of tax evasion in Turkey are one example. Since the Muslim community in Turkey comprises almost 100 percent of the total population, any study of tax evasion in Turkey is necessarily also a study of tax evasion according to Islam as it is actually practiced (Benk et al., 2009, 2011, 2012, 2015; Geyik et al., 2024; Mustafa & Geyik, 2020). The same could be said for studies of tax evasion in Yemen (Aljaaidi et al., 2011), Indonesia (McGee, 2025) or other Muslim countries. The issue of the morality of forced tax collection (the issue addressed in the current study) has also been discussed before (van Brederode, 2008).

Several bibliographies (Pardisi, 2022, 2023, 2025a, 2025b) and bibliometric studies (Alkausara et al., 2021; Barbu et al., 2024; Mansour et al., 2023; Nevzorova et al., 2017) have also been done on the scholarship of tax evasion.

Although the public finance literature discusses the funding of government schools, usually by some combination of property taxes and income taxes (referring to the tax system in the United States and perhaps some other countries), there is a gap in the literature regarding the issue of whether it is ethical to force some people to pay for the education of other people’s children, which is what occurs when the government funds schools. This study aims to partially fill that gap in the literature, or at least to start a discussion on the issue.

Public finance scholars typically justify tax-funded schooling on efficiency or externality

grounds, often invoking human capital formation, positive spillovers, and social cohesion to defend compulsory financing arrangements. Far less attention is paid to the question of whether such arrangements can be reconciled with widely accepted ethical principles concerning property rights, voluntary exchange, and the limits of state coercion. The standard treatment tends to assume, rather than demonstrate, that “ability to pay” or majority preference is a sufficient basis for forcing some individuals to underwrite the educational consumption choices of others.

The present study uses a simple hypothetical case – the village of Fahrquat Corners – to examine whether the financing of government schools through taxation is morally distinguishable from conduct that would ordinarily be classified as theft or armed robbery if carried out by private parties. By stripping away institutional labels and scaling the example from a small group to a larger polity, the analysis explores whether democratic procedures or legal formalities can transform an otherwise impermissible taking into an ethically acceptable form of public finance. The discussion also raises the related question of whether resistance to such takings should be characterized as tax evasion, legitimate self-defense, or something else altogether.

The Study

Fahrquat Corners is a small, fictional, unincorporated village in the state of Colorado, USA. The components of its population are summarized in Table 1.

Table 1

Population of Fahrquat Corners			
The village households		Population	
		Adult	Total
Arnold and Alice	Have 2 children, which they send to a private school at a cost of \$10,000 a year.	2	4
Bob and Betty	Have four children who have already graduated from high school and moved out of town.	2	2
Charlie	Is single and has no children.	1	1
Dave and Doris	Married with 2 children	2	4
Edward and Elizabeth	Married with 4 children	2	6
Frank and Florence	Living together with 4 children	2	6

Total		11	23
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For simplicity, let's refer to Dave, Doris, Edward, Elizabeth, Frank and Florene as the Gang of Six. George, who lives in a neighboring town, agrees to educate the children of the Gang of Six for \$30,000 a year, or \$3,000 per child. The Gang of Six wants the people who live in the unincorporated village to pay for the education of their children. They call a town meeting and have a vote. The Gang of Six all vote to tax the community to pay for the education of their children. The other five adults in the community vote not to pay for the education of any children other than their own. The Gang of Six voting bloc receives the majority of the votes, but the other five people in the village refuse to pay.

There is no bank nearby, and as a result, the people in the village all keep their cash in a drawer, either in their kitchen or their bedroom. It is a small village, and everyone in the village knows that the townspeople keep their money at home. The Gang of Six decide to visit Arnold and Alice, Bob and Betty, and Charlie and demand, at gunpoint, that they pay their fair share for the education of the children in the village. They force the five dissenters to go into their drawers and turn over the cash - \$5,000 per household, or \$15,000 in total. The Gang of Six then goes to George and turns over the \$15,000 they have collected from the dissenting villagers, plus \$15,000 of their own money, and George agrees to start classes the following day.

Discussion

What issues are involved in this case? Are the Gang of Six guilty of three counts of armed robbery, or do the five dissenters have a moral obligation to pay for the education of other people's children and the Gang of Six are merely collecting the funds they are morally (and legally?) entitled to? In a democracy, the majority rules. In a democracy, this act would not constitute a crime. What if the five dissenters chose to defend themselves and shot and killed the Gang of Six? Would they be guilty of murder, or would a judge decide that the homicides were justifiable because they were defending their property from armed robbers? Would the dissenters be found guilty of tax evasion if they were successful in resisting the attempt to confiscate a portion of their cash reserves?

Would it make any difference if the town consisted of 230,000 people instead of 23 people, and the funding of education followed the same exact modus operandi? In other words, does armed robbery become legal if the population approving the asset confiscation is sufficiently large and the majority of voters have approved of the confiscation? How large does the population have to be to turn armed robbery into a legitimate form of government finance? At what point does defending one's property become illegal?

Concluding Comments

The Fahrquat Corners case highlights a neglected dimension of the debate over how to finance government schools: whether the use of coercive taxation to fund the education of other people's children is morally distinguishable from conduct that would clearly be condemned if undertaken by private citizens. Once the institutional labels are removed, the Gang of Six's behavior is difficult to separate from armed robbery, yet similar actions are widely accepted when carried out by a political majority acting through the tax system. The analysis suggests that neither democratic procedures nor the conferral of legal authority, by themselves, resolve the underlying ethical tension between compulsory school finance and respect for property rights and voluntary exchange.

These observations have implications for how scholars and policymakers characterize non-payment of school taxes. If one concludes that compelling some citizens to fund the education of others is ethically problematic, then resistance to such taxes may be better understood as a form of moral dissent rather than simple tax evasion. At a minimum, the case study indicates that discussions of education finance, public governance, and tax compliance should engage more seriously with the moral status of forced tax collection, rather than treating the legitimacy of such funding mechanisms as a given. Future research might extend this analysis by examining empirical attitudes toward the specific case of school funding, or by exploring alternative, more voluntary arrangements for financing education that better align with widely held ethical principles.

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