

Thank you for the opportunity to address your committee. Thank you for your desire to, once and for all, reform our broken tax code. The job before you is formidable. You must first determine what the best tax policy is before you can explore how to reform it. At the very least, the best tax policy should be one that focuses on fairness, transparency, and simplicity. It should not focus on taxing the very things that are needed to generate revenue.

Let's explore those 3 characteristics: fairness, transparency, and simplicity. Fairness is perhaps the easiest characteristic to understand. It is quite the buzz word in political circles today. A fair tax code should treat everyone the same. There should not be any special treatment applied to one person that isn't applied to everyone. To be fair, a fair tax code should not double or triple tax the same basis. A transparent tax code should make it obvious what the tax rate is, what is being taxed, and when the tax is being collected. A simple tax code should be easily understood by everyone. May I suggest that the current tax code is anything but simple. Over 70,000 pages of tax code cannot possibly be understood by anyone.

There is only one plan that is backed by over \$20 million worth of advanced economic research, The FairTax. Under The FairTax, productivity is rewarded, not punished. Under The FairTax, ingenuity is encouraged, not deterred. Under The FairTax, opportunity is expanded, not contracted. Under The FairTax, freedom and liberty are restored.

The FairTax plan is a comprehensive proposal that replaces all federal and payroll taxes with a national consumption tax that is designed to be revenue neutral, a prebate to ensure no American pays federal taxes on basic necessities, and companion legislation to repeal the 16<sup>th</sup> amendment. The FairTax legislation abolishes all federal personal, gift, estate, capital gains, alternative minimum, Social Security, Medicare, self-employment, and corporate taxes with one simple, visible federal retail sales tax. It is a fair, efficient, transparent, and intelligent solution to the frustration of our current tax system.

Do you have the courage to support true tax reform? Do you have the courage to shift power from government to the people – from lobbyists and special interests to the people? Why not think outside the box and consider an entirely different base on which to raise revenue? Why not restore individual liberty and put Americans back in control of the fruits of their labor? Think big. Be bold. I implore you to allow Americans the opportunity to rise above the constraints imposed by a tax code that taxes productivity and ingenuity.

There is no doubt that America can be a very different country. But that will only happen if tax policy is fundamentally transformed as proposed under The FairTax.

*“The FairTax bill (H.R. 25) was developed by economists, business people and tax lawyers who understood that the current tax system is dysfunctional. Specifying the criteria by which successful reform should be evaluated, they engineered the tax around the notion that reform should minimize the adverse growth effects of the tax system, be neutral between debt and equity, consumption and savings, and among industries, should reduce compliance burdens that waste more than a quarter trillion dollars today, respect civil liberties instead of requiring Americans to reveal virtually every aspect of their lives to government, eliminate favoritism shown imports and remove the penalty on exports, enhance the competitiveness of the U.S. as an investment destination and a location for headquartering businesses, eliminate the bias against upward mobility, and increase transparency and comprehension of the tax system.”*

I respectfully ask that you give The FairTax a chance - a thorough evaluation and discussion of its merits without prejudice and bias. A fair chance means an open and honest debate on the floor of both the House and the Senate. Imagine a tax system that:

- Allows you to keep 100% of your paycheck, pension, and Social Security payments.
- Eliminates the IRS and frees up the time spent completely and filing IRS forms.
- Exempts all taxpayers from federal taxation up to the poverty level through a monthly prebate.
- Ensures that all Americans pay their fair share of taxes - no loopholes for anyone.
- Dramatically lowers tax rates for low-income and middle-income Americans.
- Makes taxes transparent by eliminating embedded income and payroll taxes in consumer prices.
- Protects and ensures the funding of Social Security and Medicare.
- Provides revenue neutrality.
- Restores the "Made in America" label.
- Encourages economic growth, savings and investment, and job creation.
- Broadens the tax base to include the underground economy and the 40 million foreign tourists who visit the U.S. each year.

We have reached a crisis point and changing the income tax code is no longer an option, it is an imperative. For nearly 100 years, we have been encumbered by an oppressive and counterproductive tax system which has punished work and achievement, savings, and investment. The current tax code has been manipulated to reward political interests at the expense of the average American. To be competitive in the next century and to renew the American dream, we must change the way we fund our federal government. It is time for The FairTax.

Please visit the following link for more information and for answers to specific questions:

<http://www.fairtax.org/site/PageServer?pagename=FAQs>

Thank you for your time. Thank you for your participation in this massive effort to fix our broken tax system.

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