

# America Deserves the FairTax

By Charlene Westgate

The economy has been a constant focus for the past few years. Recently, the Department of Labor reported that unemployment rates rose for the fourth month in row. And no one avoid the wrangling over the budget and debt ceiling.

Who's to blame for the state of the economy? Was it George W. Bush and the Republicans? Is it Barack Obama and the Democrats?

Consider that regardless of any impact that either party has had on the economy, it is the tax code that has most acutely affected our present economic stagnation: the high unemployment, loss of manufacturing jobs, diminishing tax base and plummeting savings levels.

The problem? The tax code punishes the very things we need to get our derailed economy back on track. By taxing productivity, savings and investment, the tax code discourages the capital formation needed by banks for lending and by companies to create jobs. It also prevents American workers from getting ahead.

The problem? The tax code shackles U.S. corporations trying to compete in a global economy. Other nations, remove their taxes from products before they are exported. But our tax code has no such provision. Our exports arrive overseas with built-in taxes, only to be taxed again by the importing country, making them double-taxed compared to their local competition.

The solution? The FairTax (HR25/S13).

The FairTax eliminates all taxes on income (income, gift, estate, capital gains, alternative minimum, Social Security, Medicare and self-employment taxes). It **replaces** them with a single-rate sales tax.

Imagine individuals under the FairTax who now bring home their paychecks free of all federal taxes, and who have receive a monthly rebate check to cover their taxes on necessities. Consider the boon to our economy as workers experience this instant raise and have additional funds to spend or save!

Imagine companies who also have a new influx of cash under the FairTax. Freed from their employee payroll tax payments, and no longer having to spend billions of dollars to comply with our complex tax system. These companies would have a bonanza of funds available to invest in job creation.

Imagine, too, the benefit to U.S. companies under the FairTax entering the international marketplace with a competitive edge instead of a disadvantage. "Made in America" would once again be in demand!

Now imagine our government with a broader (rather than a shrinking) tax base. Those involved in illegal activities, undocumented immigrants and foreign tourists who at present do not contribute to our tax system, and wealthy individuals who currently shelter their income from taxation, would all become taxpayers each time they make purchases.

And, imagine the U.S. as the newest tax haven, as foreign companies flock to our shores to take advantage of the opportunity to pay taxes only when they spend, but NOT when they invest here in the U.S.!

This broader base, influx of capital and growth in jobs would once again restore America to its economic prominence.

A hearing on the FairTax is scheduled before the Committee on Ways and Means on July 26. Learn more about the economic research behind the FairTax at [www.fairtax.org](http://www.fairtax.org) / [www.azfairtax.org](http://www.azfairtax.org). Then contact the Committee and request they release HR 25 from committee so that it can be brought up for a vote.

America deserves a growing economy. America deserves the FairTax!

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