



MAKE IT JUST ANOTHER DAY

FairTax.org

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Contact: Genie Hayes
1-800-FAIRTAX, #137
genie@fairtax.org

Farm Bureau says FairTax bill a priority.

Honolulu, HI – At its national convention, the American Farm Bureau Federation moved to make replacing the income and payroll tax systems a priority. On the last day of the convention the AFBF board named the FairTax legislation (HR 25/S 1493), a national retail sales tax, as a priority issue for education and dissemination to its five million members.

The Americans For Fair Taxation (www.fairtax.org) legislation replaces, rather than “reforms,” the current complex income tax/payroll deduction structure with a revenue-neutral retail consumption tax called the FairTax. During the American Farm Bureau Federation annual convention, FairTax Executive Director Tom Wright and National Farm Bureau Liaison John Collet campaigned for farmer and rancher support of this tax change, which is already gaining support on Capitol Hill. The FairTax group has spent the last year working with more than 30 state farm bureau organizations in a coordinated, nationwide effort to raise farm bureau leadership awareness of the bill’s details, laying the groundwork for this vote.

“Internationally, income and payroll taxes and the cost of compliance burden our farm exports, making them less competitive on the world market,” Wright told farmers in a speech sponsored by The Heartland Institute’s *Budget & Tax News*. “Domestically, the current system targets our working poor for abuse, while burdening them with regressive Social Security taxes. The FairTax improves export competitiveness across the board – not just for agriculture – while relieving the burden on our working poor and creating much needed jobs.”

According to Mr. Wright, the FairTax proposal is designed to be “revenue neutral,” raising the same amount of revenue as do personal and corporate income taxes, payroll and Social Security taxes, and gift and estate taxes, while replacing all these with a system some 90 percent smaller, less intrusive, and less expensive. A dedicated income stream from this broad-based sales tax would replace the narrow, regressive payroll tax currently used to fund Social Security and Medicare.

“The FairTax has been in our policy book for years,” stated AFBF President Bob Stallman. “It does address many of our policy issues on federal tax reform, including estate taxes, capital gains, alternative

minimum, and more. With this vote of the board, we'll be taking a good look at how the FairTax proposal compares to our current tax system and our desire for needed reforms.”

These national retail sales tax measures already have been unveiled in the House and Senate this session, one by Rep. John Linder (R-GA) and Rep. Colin Peterson (D-MN) and the other by Senator Saxby Chambliss (R-GA) and Senator Zell Miller (D-GA). House Majority leader Tom DeLay is a co-sponsor. The sweeping measure would take farm and ranch producers “out of the tax system entirely,” as long as their operations are not involved in retail sales, said Tom Wright.

“With the FairTax, farmers are out of the tax business entirely,” continued Wright. “No record keeping, no filing, no complex planning, no audits, no alternative minimum tax, no self-employment taxes, nothing. The only place the tax is charged is ‘under the bright lights of the retail counter’ to the person who’s going to wear the gloves or drive the car. There are no hidden taxes cascading through the system. Producers will make business decisions based solely on what is best for their farm and family, not tax consequences.”

What is the FairTax?

The FairTax is a non-partisan proposal (HR 25/S 1493) that will abolish all federal income taxes, including payroll, self-employment, alternative minimum, income, capital gains, corporate and death taxes, and replaces them all with one simple, visible, federal sales tax. It will dramatically change the basis for taxation by eliminating the root of the problem: Taxing income. The FairTax will tax us only on what we choose to spend, not on what we earn. It will not raise any more or less revenue; it is designed to be revenue neutral. The FairTax is a fair, efficient, and intelligent solution to the frustration and inequity of our current tax system, which particularly burdens our poor and fixed-income retirees. The FairTax proposal includes specific protections for these Americans, including ending the narrow, regressive Social Security tax, ending income taxes, and beginning a rebate to zero all federal taxes for all Americans (with a legal Social Security number) up to the poverty level.

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