



**MAKE IT JUST
ANOTHER DAY**

Americans For Fair Taxation

Texas GOP strengthens its plank supporting a federal retail sales tax as its replacement for income and payroll taxes.

**For immediate release:
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San Antonio, June 3, 2004 - At its state convention, the platform committee of the Republican Party of Texas tonight strengthened its existing plank on federal tax replacements to include statements requiring a new tax system supporting “. . . economic growth . . . job retention . . . and visibility in all forms.” This is in addition to already strong wording requiring replacement all forms of income and Social Security taxes with a national retail sales tax. The strengthened plank reads as follows:

Federal Tax Reform – Federal tax reform is required and any reform should support free enterprise, economic growth, be simple and fair and support job retention in the United States. The Internal Revenue Service is unacceptable to the U.S. taxpayers! The Party urges that the IRS be abolished and the Sixteenth Amendment to the U.S. Constitution be repealed. We further urge that the personal income tax, inheritance (death) tax, gift tax, capital gains, corporate income tax and payroll taxes be eliminated. We recommend the implementation of a national retail sales tax, with the provision that a two-thirds majority of the U.S. House and U.S. Senate is required to raise the rate. Such reforms will encourage investment and economic growth. Lastly, such a sales tax plan must ensure no one in America pays taxes of any kind on the necessities of life, ensuring opportunity and quality of life for low and fixed income Americans. We believe every tax at every level should be a separate and clearly visible billing to the taxpayer, regardless of type of tax, and of the calculation method, so we support tax visibility in all forms.

According to FairTax.org Executive Director Tom Wright, “The 2002 plank already well described the FairTax legislation (HR 25/S 1493) we have in Congress. The additional wording not only specifies visibility, but also points out the signal importance of tax policy in job creation and retention in our economy. The language also supports Rep. Sam Johnson’s (TX-03) House Joint Resolution 61 for the repeal of the 16th Amendment, sister legislation to the FairTax.”

“The FairTax increases primary turnouts,” continued Wright. “In primary after primary – nationwide - the FairTax significantly increased the participation of

independents as well as motivating party bases. In Texas, no serious candidate who ran on the FairTax failed to win his or her primary.”

FairTax.org is a non-profit, non-partisan, grassroots organization dedicated to replacing the current tax system with a federal retail sales tax on all new goods and services. The organization has hundreds of thousands of members and volunteers nationwide, with a total grassroots reach of more than five million. For more information, contact Genie Hayes at 1-800-FairTax or genie@fairtax.org.

-30-

A point-by-point analysis of the Texas GOP platform plank

“ . . . any reform should support free enterprise, economic growth, be simple and fair and support job retention in the United States.”

The FairTax legislation terminates the sham of corporate taxation, ending the estimated \$250 billion in private sector tax and compliance costs. It is simple, as it compares directly with the sales taxes used in a majority of states. In a series of polls and focus groups, Americans from all walks of life described a tax system they considered fair, which we developed into the FairTax. In ending the sham of corporate taxation, the FairTax will end hidden corporate taxes that disadvantage American products and services at home and in export markets, supporting job creation and retention in the United States.

“The Party urges that the IRS be abolished . . .”

The FairTax legislation (HR 25/S 1493) repeals the entire IRS code.

“ . . . and the Sixteenth Amendment to the U.S. Constitution be repealed.”

Rep. Sam Johnson’s House Joint Resolution 61 does just this and is sister legislation to the FairTax.

“We urge that the personal income tax, inheritance (death) tax, gift tax, capital gains, corporate income tax and payroll taxes be eliminated.”

This is exactly what the FairTax does. The elimination of payroll taxes – Social Security/Medicare – is particularly important to both lower income Americans and the financing of potential Social Security reform. Current payroll tax withholding is the most regressive tax of all, falling as a very heavy burden on low and lower middle class Americans. The FairTax also ends the inheritance tax, which polls as unfair with the overwhelming majority of Americans, regardless of their social strata. It also eliminates all corporate income taxes, which have the direct result of raising prices, exporting American jobs, and reducing returns to America’s pension funds – all effects most burdensome to America’s working poor and working class.

“We recommend the implementation of a national retail sales tax, with the provision that a two-thirds majority of the U.S. House and U.S. Senate is required to raise the rate.”

The FairTax is a national retail sales tax, though the language of the current legislation does not require a supermajority for raising the rate.

“Such reforms will encourage investment and economic growth.”

FairTax.org has spent more than \$20 million on marketing studies to find out just how the American public are willing to be taxed and on economic studies to determine the proposal’s effects on various sectors of the economy. In sum, most economists agree that a national retail sales tax will ignite significant economic growth.

“Lastly, such a sales tax plan must ensure no one in America pays taxes on any kind on the necessities of life, ensuring opportunity and quality of life for low and fixed income Americans.”

The FairTax plan has five features that honestly detax spending below, at, and even above the poverty level for all Americans. 1) It eliminates Social Security withholding, the most regressive tax of all. 2) It eliminates income tax withholding and the complexities of the earned income tax credit. 3) It eliminates hidden corporate taxes and compliance costs, which drive up product costs an average of 22 percent and service costs an average of 25 percent. 4) It does not tax used goods at all. 5) And finally, it includes a rebate that zeros any federal tax up to the poverty level – thus ensuring opportunity and quality of life for low and fixed income Americans.

We believe every tax at every level should be a separate and clearly visible billing to the taxpayer, regardless of type of tax, and of the calculation method, so we support tax visibility in all forms.

With the FairTax every consumer in America will know the rate – there is only one – and know the base – every new product and service delivered for final, retail consumption. Not only that, but the tax is printed right on every sales tax receipt, separate and visible.

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.

What is FairTax.org?

FairTax.org is a non-profit, non-partisan, grassroots organization dedicated to replacing the current tax. The organization has hundreds of thousands of members and volunteers nationwide. Its plan supports sound economic research, education of citizens and community leaders, and grassroots mobilization efforts. For more information visit the web page: www.fairtax.org or 1-800-FAIRTAX.