

# THIS WEEK IN WASHINGTON



## CONGRESSMAN CHARLIE NORWOOD 9<sup>th</sup> District, Georgia

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### Time to Show IRS the Door

*By U.S. Representative Charlie Norwood*

Somebody once said, “The average taxpayer believes in only one kind of government handout – the kind that takes the government’s **hand out** of his pocket.” Amen to that.

Since the good folks of Northeast Georgia sent me to Congress almost 10 years ago, I’ve been working to put that simple principle into practice: getting the hand of our bloated federal government out of the pockets of hard-working Georgians and all Americans once and for all. And over the course of the battle, there have been some successes and some setbacks, but one thing has become abundantly clear to me – the ‘once and for all’ part is easier said than done.

The fact is, having liberal Democrats (who’ve never met a tax increase they didn’t like) roaming, ranting, and regulating on Capitol Hill is more than a little like putting the wolves in charge of guarding the hen house... not exactly good news for the hens. Thankfully though, with a Republican Commander in Chief and Congress working together on tax relief, we’ve managed to keep the tax-raising wolves at bay – if only temporarily.

Nevertheless, while I’ve always believed that giving folks tax relief is a darn good start, and voted that way time and again, I’ve also held that until Congress addressed the larger problem, the job would never be finished. So what’s the larger problem? Simply put, the IRS and a federal tax code (all 50,000+ pages of it) that makes the encyclopedia look like light reading! In addition to its complexity, the tax code is also chock full of nonsensical penalties and punishments levied against middle class folks just trying to make ends meet.

So when House Speaker Hastert mentioned earlier this month that he favored overhauling our nation’s federal tax system by abolishing the IRS and adopting an alternative value-added, national sales, consumption or some other more simplified and fair tax system – that got my attention. When he went on to say, “If we’re going to get it done, next session is the session we’re going to have to do it” – that **really** got my attention.

Unfortunately, Speaker Hastert’s comments also got the attention of the usual liberal tax-and-spend suspects: big city newspaper editorial boards and national Democrats. The rhetoric that spewed from that crowd was exactly what you’d expect. In a nutshell, they asserted that overhauling the current tax system and getting rid of the IRS was really just a Republican ploy to stick it to the average taxpayer and protect the wealthy. Talk about hogwash! Do you know that the IRS-induced paperwork burden is currently estimated at 6.7 billion hours per year?! And that the amount of money Americans spend annually on complying with our nation’s federal tax code is approaching \$200 billion?! Do you think

America's middle class agrees with the liberals that 6.7 billion hours and \$200 billion are reasonable amounts of time and money to invest in tax preparation? Somehow I don't think so.

In Congress, I've cosponsored legislation introduced by my Georgia congressional colleague, U.S. Rep. John Linder, that would get us a whole lot closer to that 'once and for all' I mentioned earlier. The bill, the Fair Tax Act (H.R. 25), would eliminate the IRS and repeal all corporate and individual income taxes, payroll taxes, self-employment taxes, capital gains taxes, estate taxes and gift taxes. In their place would be a national sales tax to be administered and overseen by the States. Furthermore, business-to-business transactions and used products (those that have already been taxed) wouldn't be subject to the sales tax.

What would be the result? Among other things, everyone would be able to keep 100% of their paycheck, pension, and Social Security payments. It's also estimated that the costs of goods and services would be cut by 30-40%, compliance costs incurred by taxpayers would decrease by 90%, interest rates would fall significantly, and exports would increase. Not too shabby.

Ultimately, the issue isn't whether Congress passes the Fair Tax Act or some other similarly crafted bill to overhaul our nation's overly punitive federal tax system. No, the issue, and what's important, is that Congress seizes this opportunity to give the American people a fairer and simpler tax system and put the IRS out of business once and for all. When we've finished that job, that'll be a good day's work all the way around.