

Congress of the United States
House of Representatives
Washington, DC 20515–1007

September 16, 2011

The Honorable Dave Camp
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin,

Our dire fiscal situation has led us to reexamine many long-held policies and programs that have become federal institutions, and over \$14 trillion in national debt has finally forced Washington to carefully consider every taxpayer dollar being spent. Millions of American families are having to prioritize their own budgets and lifestyles in this tough economy, and we have had to make tough choices as well.

As a path forward, the House of Representatives boldly passed a budget this spring that reforms federal entitlement programs and cuts trillions in federal spending over the next decade. These steps are necessary, but fiscal austerity alone is not an engine for job creation. Federal policy that allows our businesses to be competitive in a global economy and American consumers to keep all of what they earn, however, is absolutely an engine for job creation and one that America desperately needs. We urge you to lay this foundation and reform our tax system by replacing the destructive income tax code with a simple and straightforward consumption tax like H.R. 25, the FairTax. This change would be the ultimate job stimulus program and it wouldn't raise the debt by one penny.

The FairTax would eliminate all federal personal and corporate taxes and replace the income-based system with a 23% consumption tax collected once at the final point of purchase of all new goods and services. While consumption taxes are generally considered to be regressive, the FairTax is progressive in that no American is taxed on the basic necessities of life because each household receives a monthly prebate to cover those costs. In addition, by abolishing the payroll tax – the most burdensome tax for 80% of American families – the FairTax eliminates the most regressive part of today’s tax code. The FairTax does not punish productivity as our current system does. Rather, it allows Americans to keep every penny that they earn. There are more benefits to the FairTax than can be shared in this limited space, but the bottom line is clear – the FairTax would save the American economy hundreds of billions of dollars in tax compliance costs, repatriate over a trillion more from offshore accounts, revitalize our manufacturing industry, and unburden America’s small businesses.

We certainly appreciate the leadership that the Ways and Means Committee has shown on tax reform this year. By holding a series of hearings on fundamental tax reform, one of which featured the FairTax, you have begun what could become the most important discussion of this generation. We have a rare opportunity to pass fundamental tax reform this Congress to unshackle American businesses, empower American consumers, and unleash our nation’s economy. Chairman Camp and Ranking Member Levin, we strongly urge you to consider H.R. 25, the FairTax, as part of the ongoing discussions on fundamental tax reform.

Sincerely,

Rob Woodall

Mo Brooks

Jeffrey L. Loring

Robert J. Witt

Alan Nunnelee

Tom Graves

Steve King

Mark SC-03

Dan Burton

Anna Hantz

John G. Dinghof

Key House

Lynn West

Steve Lee

Kent Starks

Paul Burr

James Smith

CC:

The Honorable Wally Herger

The Honorable Sam Johnson

The Honorable Kevin Brady

The Honorable Paul Ryan

The Honorable Devin Nunes

The Honorable Pat Tiberi

The Honorable Geoff Davis

The Honorable Dave G. Reichert

The Honorable Charles W. Boustany Jr.

The Honorable Peter J. Roskam

The Honorable Jim Gerlach

The Honorable Tom Price

The Honorable Vern Buchanan

The Honorable Adrian Smith

The Honorable Aaron Schock

The Honorable Lynn Jenkins

The Honorable Erik Paulsen

The Honorable Kenny Marchant

The Honorable Rick Berg

The Honorable Diane Black

The Honorable Tom Reed

The Honorable Charles B. Rangel

The Honorable Fortney Pete Stark

The Honorable Jim McDermott

The Honorable John Lewis

The Honorable Richard E. Neal

The Honorable Xavier Becerra

The Honorable Lloyd Doggett

The Honorable Mike Thompson

The Honorable John B. Larson

The Honorable Earl Blumenauer

The Honorable Ron Kind

The Honorable Bill Pascrell Jr.

The Honorable Shelley Berkley

The Honorable Joseph Crowley