

Cleanse the Code

Americans Want Real Tax Reform Now

The signatories to this letter strongly believe Congress should move forward with real tax reform, ideally on a bipartisan basis. Although we may disagree on the merits of a particular tax reform proposal (and each may have additional core standards for reform), we do agree that major reform – much as we saw in 1986 – is needed. The following principles can provide guidance for debate as we move forward with a substantial revision to the U.S. Tax Code.

1. Simplification, Transparency, and Certainty.

Filing taxes should be simple and fast for Americans, yet the plethora of tax credits, exemptions, deductions, special rates, and complicated rules can make filing a nightmare. According to the Government Accountability Office (GAO), 56 percent of Americans have someone else prepare their taxes. Most taxpayers should be able to calculate their taxes on a single form or no form at all, and in most cases by themselves, with a few hours or less of preparation.

Calculating one's correct tax burden is further hampered by the ever-shifting compilation of rules that make up the tax code. The GAO recently tested 19 professional tax preparation firms, and found that not one prepared an error-free return and only two ended up with the correct refund amount.

A more transparent tax code would make it easier for individuals and businesses to pay the taxes that they owe, and for the IRS to help them comply with their obligations under the tax code.

2. Opportunity for All Americans to Get Ahead.

The tax code should provide opportunity for all Americans, through hard work, thrift, and ingenuity, to get ahead and enhance their economic security.

All Americans deserve a fair tax system that gives them a chance to get ahead in a marketplace economy. A tax code riddled with loopholes is not fair. Any reform effort needs to cleanse the code to ensure that special preferences are not given to the few at the expense of the many.

The tax code should not hold anyone back from the American ideal, but rather should allow hard-working Americans to plan and save for their individual needs.

3. Fiscal Responsibility.

The signatories to this letter have differing ideas on the appropriate size of the federal government, but agree that over the long-term the amount of revenue government collects and spends cannot be determined independently from each other. As a result of this interplay of revenue and spending, the goal of tax reform must be pursued in a fiscally responsible manner.

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**signed subsequent to initial release of letter*