

R022-0304

10 **A RESOLUTION CONCERNING**
20 **THE URGING OF THE CONGRESS TO PASS H.R. 25 AND S. 1493**
30 **THE FAIR TAX ACT OF 2004**

40 **WHEREAS:** The sixteenth amendment to the United States Constitution reads as follows,
50 “The Congress shall have power to lay and collect taxes on incomes, from whatever source
60 derived, without apportionment among the several states, and without regard to any census or
70 enumeration”; and,

80 **WHEREAS:** Our current tax system is unfair, often levying different tax burdens on people
90 with the same incomes. For example, higher taxes are levied on some senior citizens with Social
100 Security income. The tax code allows only certain individuals to take advantage of special tax
110 loopholes and tax breaks, while others are forced to pay higher taxes; and,

120 **WHEREAS:** Our current tax system is needlessly confusing and complex. It takes Americans
130 six billion hours each year, at a cost of \$200 billion, just to comply with the tax code; and,

140 **WHEREAS:** The current tax code punishes people who work hard or take risks to improve
150 their standard of living; and,

160 **WHEREAS:** The current tax code discourages saving and investing by taxing these activities
170 more than once and as a result, the savings and investment needed for economic growth are
180 eroded, and every American's chance for a higher income and improved standard of living is
190 diminished; and,

200 **WHEREAS:** Because of current high tax rates and the tax code's multitude of deductions,
210 investment decisions are often based on tax consequences instead of economic merit which stifles
220 economic growth; and,

230 **WHEREAS:** Currently, the government takes a huge chunk of people's income and then
240 bribes them with their own money by giving little of it back with deductions and credits; and,

250 **WHEREAS:** Marginal income tax rates that were set at 15 and 28 percent just a few years
260 ago, now reach as high as 35 percent which causes damage to economic growth by reducing the
270 incentives to work, save, and invest; and,

280 **WHEREAS:** There is a large and growing consensus among economists, lawmakers, and
290 taxpayers that our current income tax system has become a tremendous obstacle to economic
300 growth; and,

310 **WHEREAS:** Consumption-based taxes largely exempt savings and investment from punitive
320 taxation which spurs capital formation, increased productivity, and economic growth; and,

330 **WHEREAS:** Our forefathers favored consumption-based taxes over graduated income taxes
340 and in fact, revolted because of over-taxation; and,

350 **WHEREAS:** Levying the same taxes on businesses and individuals guarantees that all
360 are taxed fairly; and,

370 **WHEREAS:** In Russia, President Vladimir Putin, the former head of the Soviet KGB -- a
380 communist governmental agency of the former USSR -- implemented a tax reform in 2001; and,

390 **WHEREAS:** From a revenue standpoint, the tax reform has exceeded all expectations;

400 preliminary data for 2001 reveal that it has generated R254.7 billion, an increase of R80.2
410 billion over 2000, up 46%; and,

420 **WHEREAS:** Adjusting for ruble inflation of about 18% during 2001, real ruble revenues
430 increased about 28%; and,

440 **WHEREAS:** After three years, revenue is still flowing in at a higher rate than it has ever been
450 since its foundation as a Federation in 1991; and,

460 **WHEREAS:** If Russia can implement obviously successful tax reform, the United
470 States would also be able to do the same thing and realize a much higher amount of success as our
480 economy is far superior to that of Russia's economy.

490 **WHEREAS:** The Congress of the United States currently has bills H.R. 25 and S. 1493,
500 the Fair Tax Act of 2004 before it and presently has 47 sponsors with a goal of 100 by July 4.

510 **THEREFORE BE IT RESOLVED:** That the Maryland Student Legislature urges
520 the United States Congress to pass H.R. 25 and S. 1493 the Fair Tax Act of 2004; and,

530 **BE IT FURTHER RESOLVED:** That the United States Congress repeals the 16th amendment
540 so as to avoid the power of the Federal Government to tax incomes as well as implement a
550 National Sales Tax; and,

560 **BE IT FURTHER RESOLVED:** That the Maryland Student Legislature urges the fifty State
570 legislatures to ratify the repeal of the sixteenth amendment.

580 **MANDATES:** President George W. Bush
590 Vice President Dick Cheney
600 Senate Majority Leader Bill Frist
610 Senate Minority Leader Tom Daschle
620 Speaker of the House Dennis Hastert
630 House Majority Leader Tom DeLay
640 House Minority Leader Nancy Pelosi

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