

R004-0506

10 **A RESOLUTION CONCERNING**
20 **THE URGING OF THE CONGRESS TO PASS THE**
30 **FAIR TAX ACT OF 2005**

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
60 whatever source derived, without apportionment among the several states, and
70 without regard to any census or 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
100 citizens with Social Security income. The tax code allows only certain
110 individuals to take advantage of special tax loopholes and tax breaks, while
120 others are forced to pay higher taxes; and,

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

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

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

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

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

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

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

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

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

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

410 **WHEREAS:** In Russia, President Vladimir Putin, the former head of the Soviet KGB -- a

420 communist governmental agency of the former USSR -- implemented a tax
430 reform in 2001; and,

440 **WHEREAS:** From a revenue standpoint, the tax reform has exceeded all expectations;
450 preliminary data for 2001 reveal that it has generated R254.7 billion, an increase
460 of R80.2 billion over 2000, up 46%; and,

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

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

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

540 **WHEREAS:** The Congress of the United States currently has bills H.R. 25 and S. 1493,
550 the Fair Tax Act of 2004 before it and presently has 47 sponsors with a goal of
560 100 by July 4.

570 **THEREFORE BE IT RESOLVED:** That the Maryland Student Legislature urges
580 the United States Congress to pass H.R. 25 and S. 1493 the Fair Tax Act of
590 2004; and,

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

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

650 **MANDATES:** President George W. Bush
660 Vice President Dick Cheney
670 Senate Majority Leader Bill Frist
680 Senate Minority Leader Harry Reid
690 Speaker of the House Dennis Hastert
700 House Majority Leader Roy Blunt
710 House Minority Leader Nancy Pelosi

SPONSOR:

Craig Reynolds, Anne Arundel Community College