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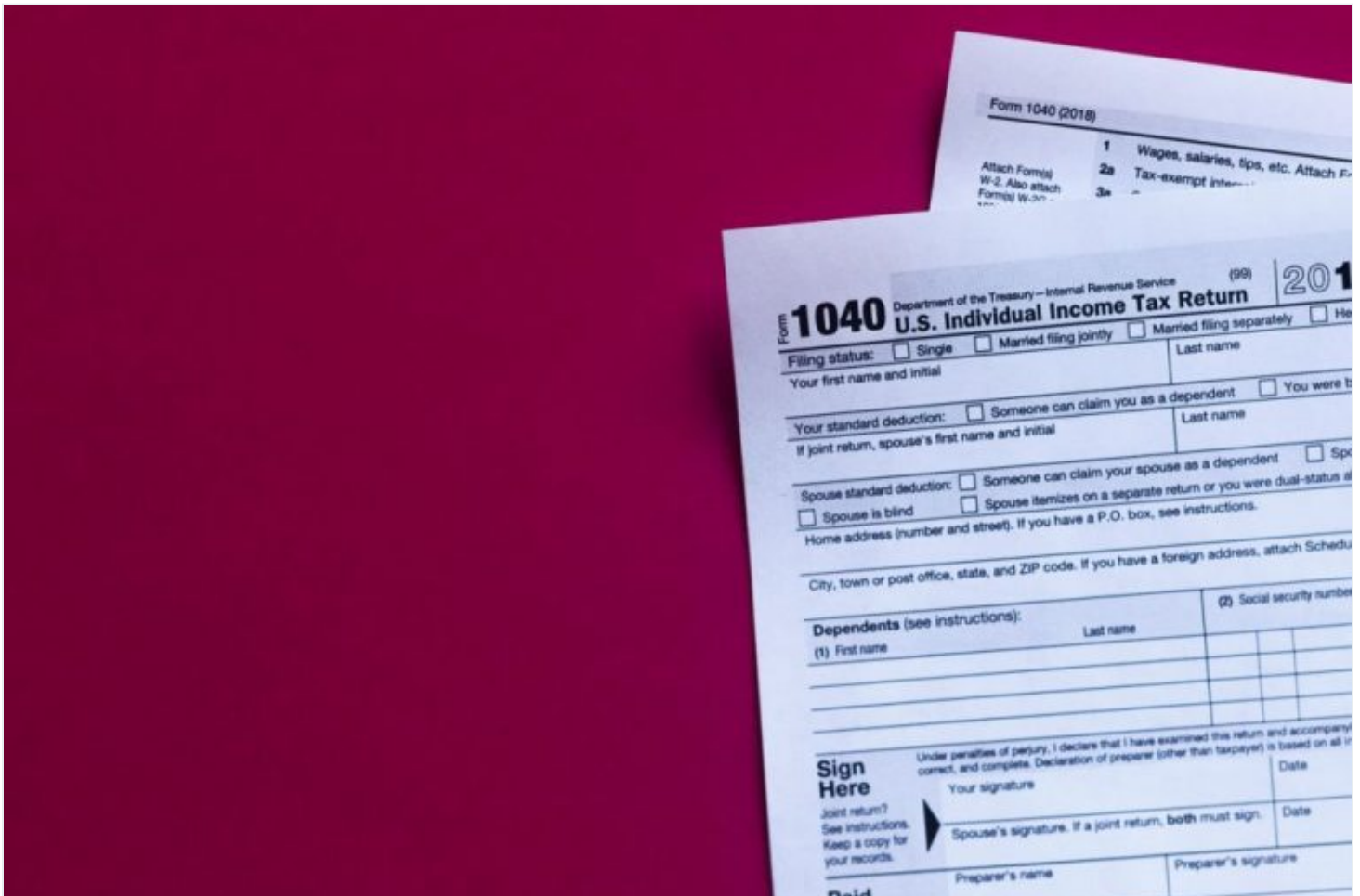
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TAXES

Abolish Income Taxes? Idea Gains Some Traction in Congress

House Republicans recently introduced "Fair Tax" legislation that will likely stall in the Senate.

Jan. 23, 2023



By Mark Ballard, The Advocate, Baton Rouge, La. (TNS)

Seeming to come out of left field, President Joe Biden last week blasted Republicans for pushing legislation that would abolish federal income taxes and the IRS then replace those revenues with a 30% or so national sales tax.

“It would raise taxes on the middle class by taxing thousands of everyday items, from groceries to gas, while cutting taxes for the wealthiest Americans,” Biden said during a speech at the National Action Network’s Martin Luther King Jr. Day breakfast at the Mayflower Hotel in Washington, D.C.

But rolling back taxes will be a prime topic as state legislatures convene around the country. Several states, particularly ones run by Republicans, are looking at replacing state income tax revenues with increased sales or consumption taxes.

As part of his concessions to win over arch-conservative representatives who had withheld their support for him during the speakership donnybrook a couple weeks ago, House Speaker Kevin McCarthy, R- Calif., agreed to bring “Fair Tax” legislation to a floor vote for the first time ever, according to Politico, a Capitol Hill newspaper. The plan has been a dream of conservative radio hosts, bloggers and politicians for a generation.

Fair Tax Act of 2023

Republican Georgia Rep. Buddy Carter on Jan. 9 introduced the Fair Tax Act of 2023. Twenty-three Republicans have signed on as co-sponsors, so far, including Marjorie Taylor Greene, of Georgia, and Matt Gaetz, of Florida.

“Instead of adding 87,000 new agents to weaponize the IRS against small business owners and middle America, this bill will eliminate the need for the department entirely by simplifying the tax code with provisions that work for the American people and encourage growth and innovation,” Carter wrote in a news release.

Should the bill pass the U.S. House, it likely will stall in the Senate, which is controlled by Democrats.

The U.S. has no national sales tax. Each state sets its own tax rates on purchased items, which range from 2.75% to 7.25% on the state level, with local governments in most states, including Louisiana, tacking on their own levies.

Newly elected Arkansas Gov. Sarah Huckabee Sanders promised to phase out that state's income tax. Mississippi's House is pressing to eliminate state income taxes, as is Georgia's General Assembly. In Georgia, income tax revenues would be replaced with a "consumption tax."

The Louisiana House Ways and Means Committee in September began studying the state's taxes with a goal of making recommendations for the Legislature to consider when the next regular session convenes April 10.

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