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system with a flat consumer tax.

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*By Matthew Medsger, Boston Herald (TNS)*

A plan by Republican lawmakers which would see the IRS done away with entirely and the current tax system replaced by a flat consumer tax would apparently be vetoed by the president if it made it to his desk.

“These guys literally are proposing, unless they changed their mind again, proposing doing away with the IRS. Now, that sounds good, right?” President Biden [said](#) at a fundraiser in New York Tuesday evening, according to the White House.

“Except one thing: They want ... to replace (it) with a 30% sales tax. A 30% sales tax,

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Introduced by the group [Americans for Fair Taxation](#) in the '90s, the plan would see the tax code replaced with a single sales tax charged at the point of sale, like most state's sales taxes. The plan would also abolish the IRS and instead rely on the states to collect and remit the sales tax to the federal government.

Proponents say it is a fairer way of taxing the population, that it creates a “culture of savings,” and that it would provide “adequate funding for current and future national spending priorities.”

They also say that, despite Biden's math, it's a 23% tax.

“Suppose a good costs \$100 and there is a \$30 sales tax placed on the item. Most people would probably consider that to be a 30% sales tax, since the tax is 30% of the selling price. This is known as the tax-exclusive tax rate. An alternative would divide the \$30 tax payment by the total cost to the consumer (\$100+\$30), making it a 23% rate. This is known as the tax-inclusive tax rate,” William Gale, a Senior Fellow at the Brookings institute, [explained](#) when the idea was first proposed.

Georgia Rep. Buddy Carter has introduced the plan to this Congress as [H.R.25](#), or the Fair Tax Act.

“This bill imposes a national sales tax on the use or consumption in the United States of taxable property or services in lieu of the current income taxes, payroll taxes, and estate and gift taxes. The rate of the sales tax will be 23% in 2025, with adjustments to the rate in subsequent years. There are exemptions from the tax for used and intangible property; for property or services purchased for business, export, or investment purposes; and for state government functions,” the bill reads, using the tax-inclusive rate.

Opponents say the plan would equate to the worst form of inflation imaginable,

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