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## HOUSE RESOLUTION NO. 20

Offered March 6, 2006

*Memorializing the Congress of the United States to enact the national retail sales tax plan known as FairTax.*

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Patron—Welch

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Referred to Committee on Rules

WHEREAS, the FairTax is a progressive national retail sales tax on final consumption of new products and services and would replace individual income, corporate income, estate and gift, Social Security, and Medicare taxes; and

WHEREAS, the plan has been designed so that it will be revenue neutral and will produce the same total dollar amount of taxes to the federal government as the present tax system with a considerable reduction in the cost of raising such revenue; and

WHEREAS, the plan will lead to stronger economic growth by eliminating taxes on business income, eliminating double taxation of dividends, eliminating taxation of interest income, and encouraging foreign investment in this country; and

WHEREAS, significant economic studies have demonstrated that the legislation is price neutral, with the final, tax-included purchase price of retail goods averaging no higher under the FairTax than they do under the current system; and

WHEREAS, the plan has several features generating progressivity to ensure that low- and fixed-income Americans are provided significant protections, including a monthly rebate to all Americans that completely zeroes the federal sales tax up to poverty-level spending; and

WHEREAS, the FairTax protects Social Security by replacing its current funding through a narrow, regressive payroll tax paid by workers with a broad-based sales tax paid by all consumers, including teenagers, tourists, illegal aliens, and illegal underground economies; and

WHEREAS, the FairTax is simple and inexpensive for taxpayers and government because it eliminates the reporting, compliance, and bookkeeping requirements of current federal taxes; and

WHEREAS, the FairTax will give the people control over how their money is spent and how much they choose to pay in taxes rather than having their money taken from them by complicated payroll withholding regulations as in the current system; and

WHEREAS, indirect consumption-style taxes, such as the federal retail tax, will end withholding, increase taxpayers expendable incomes, and increase their personal control over federal spending because they would only pay federal taxes when they choose to spend, in proportion to their lifestyle choices; and

WHEREAS, a federal retail tax is consistent with the Founding Fathers' description of ideal systems in The Federalist No. 21, is constitutional, and ends any direct taxpayer-tax collector relationships between citizens and the federal government; now, therefore, be it

RESOLVED by the House of Delegates That the Congress of the United States be urged to enact the national retail sales tax plan known as FairTax; and, be it

RESOLVED FURTHER, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the House of Delegates in this matter.

INTRODUCED

HR20