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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/08

SPONSOR Anderson LAST UPDATED _____ HM 33

SHORT TITLE Reform U.S. Tax Code SB _____

ANALYST Cox

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Memorial 33 requests that the members of the New Mexico congressional delegation support federal ‘tax reform’ that moves to a system that greatly reduces compliance costs, eliminates double taxation of savings and investment and taxes income one time at one rate.

Copies of this Memorial are to be transmitted to each member of the New Mexico Congressional delegation.

SIGNIFICANT ISSUES

This Memorial notes:

- The United States Tax Code has become increasingly complex and burdensome for American families and businesses.
- Congress has enacted fifteen thousand changes to the Tax Code since 1986, with each change resulting in more complexity and burdensome requirements on American taxpayers.
- Increased complexity and lack of transparency create substantial uncertainty for taxpayers in figuring out their tax bills each year.
- The tax base has become increasingly diluted as tax deductions for particular economic activities receive special preferences.

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- American families and businesses spend more than three and one-half billion hours filling out their tax forms, costing one hundred fifty billion dollars (\$150,000,000,000), just to ensure that their taxes are paid correctly.
- High marginal tax rates on income and investment penalize work, savings and investment.
- Multiple layers of double taxation on savings and investment coupled with increasing compliance costs are reducing economic growth, job creation and household savings.
- Tax law changes have not kept pace with a growing and dynamic international economy, thus leaving American workers and businesses at a significant competitive disadvantage with foreign competitors.
- For America to continue to be a leader in the global economy, congress needs to enact tax reform that greatly reduces compliance costs, eliminates double taxation of savings and investment and taxes income one time at one rate.

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