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CRFB Urges Tax Reform Task Force to Think Big
March 27, 2009

Yesterday, the White House announced the establishment of a Task Force on Tax Reform to report reform options to the President by the end of the year. The Task Force will be charged with making recommendations on simplifying the tax code, cutting corporate welfare, and reducing tax loopholes and evasion. The Committee for a Responsible Federal Budget is encouraged by the formation of this Task Force, and counsels it to focus on broad and fundamental tax reform.

"The economy is in crisis, the deficit is out of control, all of the Bush tax cuts are about to expire, and the tax code is in many ways broken--this is no time to think small," remarked Maya MacGuineas, President of the Committee for a Responsible Federal Budget. "We all want to go after unpaid taxes and egregious loopholes, but reform needs to do more than just improve tax compliance. We need to rewrite the tax code to make it simpler, fairer, more efficient, and better at promoting rather than inhibiting economic growth."

The Task Force would be wise to focus on base broadening by making recommendations to reform tax expenditures, and it should explore alternative means of raising revenue.

Additionally, the Committee recommends that the Administration remove the restriction that prohibits the consideration of tax increases for families making under \$250,000 a year.

"Everything should be on the table" concluded MacGuineas. "Of course no one wants to see their taxes increased, but the President deserves a frank and honest assessment of what needs to be done. A lot is at stake here, and we can't keep putting off big decisions."