

Congress needs to take axes to taxes

By *Alfredo Ortiz and Adam Brandon*

Despite the fact that Republicans hold the White House and majorities in the House and Senate, six months have passed and we've seen zero major legislative victories. Some conservatives are calling on Congress to cancel their August recess in order to make progress on top priorities, including fundamental tax reform.

We need economic growth. Currently our complex, high-rate tax code with exceptions and carve-outs for this company or that industry holds us back from vital economic growth of 3 percent or more. For families and small businesses, compliance is not only complicated but often costly, both in terms of dollars and hours spent. The 74,000-page tax code makes it difficult to know how you'll be taxed from year to year.

All across the country, people are fed up with the bloated bureaucracy of the IRS. The time has come to use our voices to get fundamental tax reform.

Over the next few months, thousands of grassroots activists will join FreedomWorks and the Job Creators Network at more than a dozen events across the country to show their support for getting the sprawling tax code off their backs. They will hear from expert speakers, including Stephen Moore, one of President Trump's campaign advisers on economics.

For those who can't make it, however, there is still a way to join the nationwide push for real, substantive reform: call or write to members of Congress and tell them to scrap the complex, crony tax code and build a simple tax code that's easy to understand and follow. Here are six principles for fundamental tax reform that can guide you as you make your case:

Simplify the tax code: Our federal tax code is more than 74,000 pages long, and people spent nearly 9 billion hours and \$409 billion to comply with it. A tax system is broken when a typical family feels the need to shell out hundreds of dollars to make sure their taxes are paid correctly. We must pass a tax code so filing your taxes is no more difficult than filling out the back of a postcard.

Broaden the tax base: A tax code free of the vast majority of deductions, credits and loopholes will yield a simpler tax code that is easier to follow. Congress should broaden the tax base by raising the standard deduction across the board and cutting the majority of specialized deductions, only retaining exceptions like charitable deductions.

Lower and consolidate individual tax rates: Part of simplifying the tax code should be reducing our individual tax rates from seven brackets to two or three brackets. This will streamline bureaucratic processes and, if rates are kept low, will give people more money to invest in creating new businesses, hiring new employees and investing in new markets.

Reduce corporate tax and investment rates: We should also reduce the corporate tax rate, currently one of the highest in the world. Reducing it and investment tax rates will make it possible for initiative and ingenuity to flourish. Small businesses are treated particularly harshly in the current system, paying up to 40 percent in federal taxes.

Repatriation of overseas cash: It is not just high taxes that have hurt the economy — a restrictive regulatory environment has also kept cash from being infused into our economy. Many companies have been forced to relocate to more business-friendly environments, along with their jobs and profits. By cutting down on regulation, we can create an environment where creativity and companies can flourish.

Cutting spending, economic growth will pay for tax cuts: We cannot lower taxes, even temporarily, in a way that adds to our debt and deficit. Fundamental reform is the only way to grow our economy through the tax code without worsening our financial situation. Should these tax reforms increase the federal deficit, Congress must begin to make cuts to spending and aim for budget-neutrality.

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