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AFFT DATA SHOWS FAIRTAX GENERATES MORE REVENUE

Americans Frustrated Watching Tax Policymakers Play "Ground Hog Day"

Washington, DC – Americans for Fair Taxation (AFFT) released today revenue estimates that the FairTax, a national sales tax, would have collected far more federal revenue in 2009 and 2010 than the current income tax based system.

The estimates demonstrate that FairTax-generated revenues for 2009 would have been $171 billion more than the IRS revenue and in 2010; the FairTax would have generated $267 billion more.

AFFT provided the data to the Joint Select Committee on Deficit Reduction or Super Committee recently and is releasing it to the public today.

" Watching Washington tax policymakers churn a few well-worn and ineffective ideas to come up with the same disappointing results is like watching the movie 'Ground Hog Day', except this is real life not a movie" said AFFT Chairman and Co-Founder Leo E. Linbeck, Jr.

"No wonder the American people are so frustrated! Some in Washington want to adjust and tinker with the current sclerotic system but working Americans are ready to throttle it and them and start fresh. The time for reform is over. We need to be seeking replacement.

"The FairTax is a hybrid within the range of consumption tax alternatives— more transparent, simpler and it returns the power to determine how much tax is paid to the American people.

"We believe it addresses the nearly $1.5 trillion in deficit reduction the congressional deficit committee is charged with making, and responds to the nearly $4 trillion in cuts offered by Democrats and other partisan issues.

The FairTax projections are based on a 23 percent tax inclusive rate of taxation as proscribed in the Fair Tax legislation (HR 25/S 13).

The estimates were provided by David Tuerck, Chairman of the Economics Department and Executive Director of the Beacon Hill Institute at Suffolk University in Boston.

"Because revenues from a consumption tax are always more stable over the business cycle than revenues from an income tax, it stands to reason that the FairTax would have reduced the deficit in recent years, had it been in place," said Tuerck.

Formed in 1995, AFFT is a nonprofit, nonpartisan, grassroots organization dedicated to replacing the current tax system with a progressive national retail sales tax.

(For a copy of the FairTax data go to www.fairtax.org or call 703-931-2324)