



For Immediate Release  
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**Hearing Statement of Senator Max Baucus (D-Mont.)  
Regarding Fundamentals in Advance of Tax Reform**

Albert Einstein said: “The hardest thing in the world to understand is the income tax.”

Regrettably, the tax code has not gotten any easier since.

Even so, every year, the Government requires pretty much everyone in the Country to take a test. We have to take a test on that hardest thing in the world. And the Government requires us all to complete that test by April 15.

So this April 15, we thought that it was high time that we started talking again about how to make taxes easier.

Another reason to start thinking about tax reform is the year 2010.

Significant sections of the tax code expire at the end of 2010. The law that has been in place since 2001 will no longer be the law. It will revert back to law before 2001.

Pretty much nobody wants the law to swing back to the pre-2001 law in its entirety. And so that’s another reason to start talking again about tax reform.

Tax reform sounds simple because it’s two little words. But those two little words can represent a huge task for Congress. It’s a task that requires a lot of cooperation and a lot of working together.

Today we’ll start to address that daunting task.

We’ll start by discussing our current system.

And we’ll discuss what has led to the current complexity.

Justice Felix Frankfurter wrote: “A tax can be a means for raising revenue, or a device for regulating conduct, or both.”

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Congress has chosen “both.” Congress has often chosen to use the tax code to implement social and economic policy. And doing so has led to complexity.

We’ll discuss how Congress has used the tax code for social policy. The tax code has multiple provisions to encourage people to do one thing or another.

For example, you get a charitable deduction for donations, because Congress wants to encourage donations.

The tax code also has a tax deduction for mortgage interest and real property taxes, because Congress wants to encourage home ownership.

And we’ll discuss how Congress has used the tax code for economic policy.

A recent example of this is the economic stimulus package that Congress passed in February. In that case, Congress used the tax code to give a boost to the sagging economy.

The last time that Congress reformed the tax code from top to bottom was 1986. That year, we enacted a comprehensive reform bill that was meant to set us on a stable course.

Since then, however, Congress has passed tax bill after tax bill. And that has caused confusion and complexity for taxpayers and the IRS alike.

As a result, some folks say that tax reform is like mowing the lawn. You have to do it pretty regularly. Because it keeps growing back. Pretty clearly, it’s time to get out the lawnmower.

So let’s try to make it so that it doesn’t take an Einstein to fill out the tax form. Let’s see what it would take to get tax law back to being mostly a means for raising revenue, rather than mostly a device for regulating conduct. And let’s start the process of making the tax law a little easier.

Because wouldn’t it be nice, some April 15, not to be subjected to the hardest thing in the world?

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