



For Immediate Release
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Tax Reform for Individuals**

Yale law professor Michael Graetz has said: “The tax law . . . is the primary link between the nation’s citizens and their government. Many more people file tax returns than vote in presidential elections.”

And the numbers bear him out. For the last Presidential election year, 10 million more people filed individual income tax returns than cast Presidential ballots.

And Individual income tax returns are the primary source of the nation’s revenue. Individual income tax collections account for about half — 49 percent — of the revenues that the Federal Government collects.

And as the former head of the Joint Committee on Taxation testified in 2001: “The burdens of complexity fall particularly on individual taxpayers.”

So it’s only fitting that today’s tax reform hearing focus on tax reform for individuals.

The IRS estimates that it takes people an average of 26.4 hours to complete the individual tax form. That’s more than a complete day, just to figure out how much you owe the Federal Government. That’s too long.

And that’s only the average. Some people take a lot longer to figure out their taxes.

And that number doesn’t count up all of the time actually spent. Most of us don’t just sit down and work out our taxes in one sitting. Most taxpayers spend a lot of time gathering information. People spend days, and even weeks, compiling information before sitting down to fill out a tax form.

On top of that, many people have to calculate the alternative minimum tax, too.

Why is filing your taxes so complicated? One reason is because the tax code has multiple functions.

The Government raises revenue with taxes. And then the Government also uses the tax code to implement social and economic policy.

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For example, through the earned income tax credit, people are raised out of poverty. Through college education credits and deductions, college is more affordable and accessible. And through tax cuts, Congress can give a boost to the economy during hard times.

As we begin the task of tax reform, we will have to determine priorities. How can we make the tax code simpler? How can we make it fairer? How can we reduce its drag on the economy? And can we do all these things at the same time?

On April 15, we began this series of hearings with the broad overview of tax reform. Today, we will consider what our priorities should be in the individual area. Future hearings will address small businesses, corporations, and international competitiveness, among other topics.

So let us see if we can't make the primary link between the nation's citizens and their government just a little less painful. Let us see if we can't make the primary source of the nation's revenue a little fairer. And let us see how we might lessen the burdens of the tax code on America's individual taxpayers.

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