



FOR IMMEDIATE RELEASE
May 3, 2011

Contact: Communications Office
(202) 224-4515

BAUCUS: TAX CODE MUST BE FAIR, ENCOURAGE ECONOMIC OPPORTUNITY

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) convened a hearing today to discuss options to make the tax code fairer and increase economic opportunities. At the hearing, Baucus examined the relationship between the federal tax code and economic growth and economic mobility. Today’s hearing is part of a Finance Committee series examining ways the tax code can be more fair and simple, boost the economy and increase the competitiveness of U.S. businesses at home and in the global market.

“Americans want – and deserve – a more fair and equitable tax system that helps our economy grow,” said Baucus. “As we work together to make the tax code more fair and simple, we need to ensure it encourages economic growth across the board.”

Baucus asked the witnesses to identify which aspects of the tax code help diminish economic disparities. Over the last 30 years, both before- and after-tax income growth has been concentrated at the high-end of the income spectrum. According to the independent, non partisan Congressional Budget Office, while households with incomes in the highest one percent have seen their after-tax income grow by 280 percent during that time period, 90 percent of Americans have seen essentially no increase at all. Baucus also examined the effect of tax incentives including deductions and exclusions on tax fairness.

The Finance Committee began its examination of the code last September with a review of the lessons of the 1986 Tax Reform Act and considered historical trends in income and revenue last December. More recently, the Committee held hearings to discuss options to simplify tax administration and ease filing burdens for individuals and businesses, to look at changes to the tax environment over the last two decades, to consider whether the tax code could do more to incentivize economic growth and job creation and to examine ways to increase how much people respond to specific tax incentives for individuals and businesses. Watch today’s and all past hearings and view witness testimony on the Committee website at <http://finance.senate.gov/hearings/>.

###