



OPPOSE MAGA REPUBLICANS' 30% NATIONAL SALES TAX

House Republicans [plan to vote this year on a bill](#) that would eliminate the entire federal tax code and replace it with a 30% national sales tax that would give the wealthy a huge tax cut, raise taxes on the middle class and threaten Social Security and Medicare. They deceptively call their extreme plan the “Fair Tax” but it’s deeply *unfair* to average taxpayers; everyone who relies on public services like Social Security, healthcare, education, housing and other programs whose funding would be threatened; and anyone worried about the growing economic and political power of billionaires and other members of the wealthy elite. Instead of giving more tax cuts to the rich, Congress should ensure they and corporations pay their fair share to help build an economy that works for all of us, not just those at the top.

KEY FACTS

- The “[Fair Tax Act of 2023](#)” would abolish the corporate income tax (the [wealthy mostly own corporations](#)), the individual income tax (which is [mostly paid by wealthier Americans](#)), the estate tax (which is exclusively paid by couples worth [over \\$25 million](#)) and payroll taxes (which finance Social Security and parts of Medicare).
- The bill’s backers say the national tax rate (at least in the first year) would be 23%. But they figure the rate in an odd way—if described like state and local sales taxes typically work, the [rate is really 30%](#), according to the Tax Policy Center (TPC). Some experts say the national sales tax might [need to be as high as 60%](#) to replace all the revenue lost.
- Similar plans proposed in the past would [raise taxes on 80% of Americans](#) while [cutting taxes on millionaires by 40%](#), according to the Institute on Taxation and Economic Policy (ITEP).
- The 30% national sales tax would be tacked onto everything we buy: groceries, utility bills, healthcare premiums, even cars and houses. Everyone would pay the same 30% tax rate no matter their income. That means a billionaire would pay the same tax rate as a teacher, firefighter, truck driver or nurse.
- Sales taxes take a [bigger relative bite out of lower-income consumers](#) than out of the rich because lower-income people use a much bigger part of their income buying necessities.
- The plan would [eliminate the Child Tax Credit](#) that helps parents provide for their kids and tax credits that lower the cost of health insurance.
- Taxpayers would receive a payment from the government (a “prebate”) meant to reimburse them for some portion of the sales tax, but [most families would still be worse off](#) than under the current tax system.
- If the sales-tax rate were not set high enough—and the public would probably reject a 30% rate as much too high—vital public services like Social Security, Medicare, Medicaid, healthcare, education, housing and more would have to be cut.
- A similar plan was [rejected by President George W. Bush’s Tax Reform Panel](#) 20 years ago because such a national sales tax would hit middle-class consumers too hard; the prebate would be difficult to administer; evasion would be widespread; and the ability of states and localities to levy their own sales taxes would be impaired.

TALKING POINTS

- **This is another example of the MAGA wing of the Republican Party taking over the House of Representatives.** Instead of fighting inflation or solving other problems facing working families, House Republicans want to give another huge tax cut to the rich through a 30% national sales tax.
- **The 30% national sales tax will tax everything you buy – groceries, clothes, cars, homes – while eliminating taxes paid by corporations and individuals, especially the wealthy.** It will be paid on top of the state and local sales taxes you already pay.
- **Billionaires would pay the same 30% tax rate under the national sales tax that middle-class workers** like teachers, firefighters, truck drivers and nurses would pay. To have a fair tax system billionaires should be paying a much higher tax rate than the rest of us.
- **The 30% national sales tax will do away with the payroll taxes that fund Social Security and Medicare,** threatening those bedrock programs supporting working families.
- **Experts say that the 30% national sales tax proposed by Republicans won't come close to raising the revenue that is currently raised.** That means they will have to set a sales tax rate that is not practical – say 60% – or they'll have to cut Social Security, Medicare, Medicaid, healthcare, education, housing and other vital services to make up the difference.