

Code. Criticizing the Tax Code is as American as apple pie and baseball, and for good reason. Each year Americans spend billions of hours and billions of dollars trying to do their best to comply with our complicated Tax Code. That's not counting the billions of hours they spend complaining about it.

Madam Speaker, time is precious, and too often we don't have enough of it for the personal things we like, such as earning a living, raising our families, spending time with friends. And then there is the dollars and cents side of this equation where time is money, and valuable resources are squandered navigating tax law instead of spent growing the economy and creating jobs. Taken together, this is a strong prescription for real change in our Tax Code.

We know what works when it comes to changing the code because we caught a glimpse of it when Ronald Reagan cut the code in half in 1986. As a result of that reform, the economy grew, revenues increased, and jobs were created. I can't think of a better prescription for our slowing economy than replicating the reform of the Tax Code on an even greater scale.

So what should we do? The prescription is also pretty simple: flatten the tax, broaden the base, and shift the burden away from families and small businesses.

The encouraging news is that we have a practical and effective blueprint for making this real change across the board. This blueprint is called the flat tax. In 1981, Robert Hall and Alvin Rabushka proposed a new and radically simple structure that would transform the Internal Revenue Service and our economy by creating a single rate of taxation for all Americans. Today, several States have implemented a single-rate tax structure for their State income taxes, and from Utah to Massachusetts citizens are seeing the benefit.

In Colorado, a single tax rate generated so much income, so much revenue, that lawmakers actually reduced the rate less than 10 years after its implementation. In Indiana, the economy boomed after a single rate went into effect in 2003, and since that time, the corporate income tax receipts have risen by 250 percent.

Here in Congress we have several people working on the problem. People such as myself; Congressman DAVID DREIER from California, the ranking member of the Rules Committee; and PAUL RYAN of Wisconsin, the ranking member on the Budget Committee, are all working to establish a simple tax rate structure for our United States. Other Members are working on it in the other body as well.

I brought a poster to show you how a faster, flatter, fairer tax structure would work, and it's pretty simple. Here you go: Your name, a little bit of identification data, write in your income, a line for personal exemptions, calculate your deductions for personal

exemptions, taxable income, calculate the tax by multiplying by a flat rate, subtract taxes already withheld, and you're done. What did it take, 30 seconds? Not very long.

No more expensive tax attorney bills. Gone are the hours of stressful research trying to figure out whether your military service or your marital status will adversely affect your return. No more headaches trying to determine where the estimated tax payments go.

□ 1900

A single tax rate structure would eliminate taxes on capital gains, taxes on dividends and taxes on savings. Personal savings would increase. Businesses would expand and create jobs. Without the heavy corporate income tax, which is currently the second highest in the industrialized world, companies would have less incentive to offshore their headquarters, and more importantly, less incentive to offshore their earnings.

And here is where the all-American principle of freedom comes into the prescription: The decision to move to a single rate system would be entirely up to the individual or business, not the government. This would be an optional program. If somebody has constructed their domestic finances or their business finances to maximize earnings under the current Federal income tax code, they will be allowed to stay in the code. But if you are tired of the shoe box, if you want to fill out a single page form and spend the rest of that time with your family or on a personal vacation, you are free to do so.

A flat tax would be much less costly, saving taxpayers more than \$100 billion per year, and reduce tax compliance costs by over 90 percent. The resulting increase in personal savings, there is a stimulus package that would have an immediate effect on our American economy.

Recent polling by American Solutions shows that over 80 percent of Americans favor an optional one-page tax return with one rate. After all, who could complain about making something easier, especially a process that comes at such high cost?

Madam Speaker, this is a very political year. We hear a lot of talk about change. You can't turn on the television without hearing talk about change. Let's consider how that change could improve the most complicated of institutions, the Internal Revenue Service, and more importantly, deliver prosperity and return time, return time, to the American taxpayer. That is a stimulus package worthy of everyone's vote.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

HONORING THE MEMORY OF DEREK BRIAN JOHNSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 5 minutes.

Mr. DENT. Madam Speaker, I rise today to honor the memory of Derek Brian Johnson and the efforts of his father, Robert Johnson, a resident of Easton, Pennsylvania, to seek justice for his son.

Derek Brian Johnson was only 32 when he died. He worked as an Internet security manager. He enjoyed singing, skydiving and motorcycle racing. He was passionate in his support of the Make-A-Wish Foundation. He also loved music and bands. And it was this last love that ultimately cost him his life.

On February 20, 2003, nearly 5 years ago, Derek went to a club called The Station in West Warwick, Rhode Island, to hear a band called Great White. The club was jammed that night with patrons. As the show ensued, tour manager Daniel Biechele set off a pyrotechnic display that was part of the band's floor show. The display ignited the building's soundproofing foam.

The Station went up like kindling. People rushed for the exits, and panic ensued. Many were crushed as the crowd stampeded to get out of the burning building. In the end, 100 people died that night at The Station, including Derek Johnson.

Ultimately Biechele and club owners Jeffrey Derderian and Michael Derderian were charged with manslaughter as a result of the fire and ensuing deaths. And there began my constituent, Robert Johnson's, quest to find justice for his son, a search that from his point of view has not been at all fruitful.

First, there was the matter of the club itself. There were more people in the club than there should have been. The Station had no sprinkler system, which would have prevented, or at least minimized, the conflagration. And the soundproofing foam was not treated with flame retardant materials.

Second, there were the court proceedings. Biechele pled guilty to 100 counts of manslaughter. He could have gotten 10 years to serve under a plea agreement that Bob claims he did not know about. The judge gave Biechele 15 years but suspended all but 4. Michael Derderian was allowed to plead no contest to 100 counts of manslaughter pursuant to a plea agreement. He too only received 4 years to serve.

Finally, there were the parole hearings. Even though both of these men were responsible for the deaths of 100 people, the State parole board in Rhode Island has decided to release them.

I have to say that I agree with Bob Johnson when he tells me that serving less than 4 years after being found legally responsible for so much carnage hardly seems just. I commend Robert Johnson for the hard work he has put

forth to find justice for his son and for the other victims of The Station nightclub fire. I know that the memory of Derek Brian Johnson will live on in his father's heart forever, and I applaud his efforts to soldier on on behalf of a man who was taken from us all too soon.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

GETTING THE NATION BACK ON TRACK

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from South Carolina (Mr. BARRETT) is recognized for 60 minutes as the designee of the minority leader.

Mr. BARRETT of South Carolina. Madam Speaker, it is an honor to come tonight and talk a little about spending, talk a little bit about the budget, talk a little bit about reform, talk a little bit about entitlements, and talk a little bit about earmarks.

What we want to do, Madam Speaker, over the next hour is talk a little bit about what is going on in Washington, what is broken, what needs to be fixed and have a big-picture discussion. We can talk about line items. We can talk about things down in the weeds. But what we want to talk about tonight is a philosophical difference between the Republicans and the Democrats on how we are going to get this country, Madam Speaker, back on track.

Now the President's budget lays out critical fiscal issues that the Congress is going to have to deal with in the near future. Key among them are balancing the budget, promoting sustained economic growth, slowing the growth of Federal spending and addressing the coming entitlement crisis.

First on deficits. Last year at this time, after several years of dramatic declines in the Federal deficit, we found ourselves on what may be described as a glide path to balance in the near term. Now that path has been interrupted, mainly due to the slowdown in the economy and the stimulus package, but we will still balance the budget.

Even while addressing current challenges in the economy, the President's budget achieves balance by 2012 without raising taxes. Now let me say that again, because I think that is extremely important. The President's budget achieves balance by 2012 without raising taxes by demanding the Federal Government get in control of guess what? Spending.

The budget also achieves balance through sustainable fiscal policies that support economic growth and job creation. It maintains the tax policies

that have supported the solid growth which until only recently succeeded in producing appreciably higher revenue, appreciably higher revenue, and dramatic reductions in the deficit, and we have got some charts to show you just that.

Finally, the President's budget recognizes that our Nation's challenges go well into the next few years. It takes a significant critical step towards addressing the greatest threat to our Nation's future strength and prosperity, the unsustainable growth of our largest entitlement programs.

While the President's budget doesn't fix the entitlement problem in one fell swoop, it does propose specific reforms, ones which would reduce Medicare's \$34 trillion in unfunded liability by nearly a third, and that would be a tremendous step, Madam Speaker, \$10 trillion, and I congratulate the President on this step.

These are issues that we can debate on how best to approach that. But to cut the unfunded liability by \$10 trillion is remarkable. And if the people want to criticize the President's specific proposals for addressing that problem, that's fine. Then let's make sure they come forward with solutions on how we can fix this stuff. Don't just tell me the problem. Tell me how to fix it.

We must reform these programs so they can meet their mission of providing health and retirement security and a reliable safety net today and in the future. The administration has a proposed plan, but it is Congress who has the power of the purse strings. It is Congress who will decide the Federal budget. And it is Congress who is ultimately responsible and accountable for ensuring a sustainable path to our Nation's future.

Let me show a couple of charts to kind of substantiate what we are talking about, Madam Speaker.

The first chart. Now a lot of people have said the Bush tax cuts, let's make them permanent. Let's do away with them. When we talk about the Bush tax cuts, what are we talking about? We are not talking about the Bush tax cuts. We are talking about real things. We are talking about capital gains. We are talking about the marriage penalty. We are talking about dividends. We are talking about a death tax. A child tax credit. Things that affect everyday Americans, Madam Speaker.

Now this chart shows the best Bush tax cuts of 2001 and 2003. If you look at the red first, this shows what happened before the tax cuts, and the blue shows what happened after the tax cuts. Now my friends on the other side have always said, well, what we need to do, we need to tax the rich. We need to make sure that they are paying more than their fair share.

Let me show this. After the Bush tax cuts, the top 1 percent, their taxes actually went up. That's right. The top 10 percent, guess what? After the Bush tax cuts, their taxes actually went up.

The top 50 percent, after the Bush tax cuts, guess what? Their taxes actually went up.

Now, again, the Democrats will argue, well, we need to do more for the little man, for the guy that is in the middle. Look at the bottom down here. The bottom 50 percent after the Bush tax cuts went into effect, their tax liability actually went down. So the argument that we need to tax the rich more to save the little man doesn't quite fit that chart, does it?

Let's show another one. Job creation before and after the Bush tax cuts. If you look at the red lines going south, or below the line, this is before the Bush tax cuts. Look what happened after the Bush tax cuts. Now it appears to me on this chart that job creation went up. So we have got the lower 50 percent that are actually paying less, and we are creating more jobs.

□ 1915

An interesting concept. Let me show another one.

Now, Madam Speaker, I really love this one. This is one that me being from South Carolina can truly understand. This is before the Bush tax cuts. Then, after 2003, everything was fully implemented. The line goes increasingly up. So even after the Bush tax cuts were fully implemented, revenues to the Federal Government soared through the roof.

It just proves that when you allow Americans to keep more of their hard-earned money, that they know how to spend it better than we do. They are going to buy a new truck. They are going to build a new building. They are going to hire a new employee. They are going to grow the economy. And the way you grow the economy is through the private sector and not the public sector.

Now, let's change subjects just a little bit. Spending. No matter what we do, whether it is tax policy, whether it is changes here or changes there, we have got to get spending under control. The red line assumes that my friends on the Democrat side are successful and the Bush tax cuts are going to go away. We will have higher taxes. The red line shows here that the taxes are increasing.

But look at the green line. The green line, Madam Speaker, is runaway spending, and you can't address one without addressing the other, because unless we get our fiscal house in order, none of it is worth anything.

Now, I want to read you a quote here. Comptroller General David Walker came in front of our committee and said, "You are not going to tax your way out of this problem. You're not going to grow your way out of this problem. You are not going to do it by constraining spending. You are going to have to do a combination of all these things, and the biggest thing is going to be entitlement reform, Social Security and Medicare, health care being a much greater challenge. And