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H.C.R. No. 27

#### CONCURRENT RESOLUTION

1 WHEREAS, History has demonstrated that the levying of income  
2 taxes gives government too much power over citizens, and  
3 accordingly, the nation's founding fathers did not impose a federal  
4 income tax in the United States Constitution; and

5 WHEREAS, The nation's current income tax system, established  
6 via the enactment of the Sixteenth Amendment to the United States  
7 Constitution, is unfair and inequitable, and it unnecessarily  
8 intrudes on the privacy and civil rights of U.S. citizens; it  
9 imposes unacceptable and needless administrative and compliance  
10 costs on individuals and businesses, and it requires individuals to  
11 prepare annual tax returns using many complicated forms, resulting  
12 in unintentional errors that are severely punished; in addition, it  
13 hides the true costs of government by embedding taxes in the costs  
14 of everything that Americans buy; compliance does not occur at  
15 adequate levels, which raises the tax burden on law-abiding  
16 citizens; and

17 WHEREAS, Hindering economic growth, the current tax system  
18 diminishes the standard of living, impedes the international  
19 competitiveness of industry, and lowers productivity; it slows the  
20 capital formation necessary for real wages to steadily increase and  
21 reduces savings and investment by taxing the same income multiple  
22 times; moreover, it penalizes marriage and impedes upward social  
23 mobility; and

24 WHEREAS, Federal payroll taxes, including social security

1 and Medicare payroll taxes and self-employment taxes, destroy jobs  
2 by raising employment costs; these taxes lead to higher rates of  
3 unemployment and have a disproportionately adverse impact on  
4 lower-income Americans; and

5 WHEREAS, Federal estate and gift taxes impose unacceptably  
6 high tax-planning costs on family-owned businesses and farms, and  
7 families are often forced to sell their holdings in order to pay  
8 them; furthermore, these taxes discourage capital formation and  
9 entrepreneurship, fostering the continued dominance of large  
10 enterprises over small, family-owned companies and farms; and

11 WHEREAS, In *The Federalist* No. 21, published in 1787,  
12 Alexander Hamilton wrote: "It is a signal advantage of taxes on  
13 articles of consumption, that they contain in their own nature a  
14 security against excess"; a broad-based national sales tax on goods  
15 and services purchased for final consumption would promote  
16 fairness, economic growth, and savings and investment; it would  
17 raise the standard of living and improve upward social mobility by  
18 enhancing productivity and international competitiveness and by  
19 reducing administrative burdens on the American taxpayer; at the  
20 same time, a national sales tax would respect the privacy interests  
21 and civil rights of taxpayers; such a tax would be similar in many  
22 respects to the sales and use taxes that are now authorized in 45 of  
23 the 50 states; and

24 WHEREAS, Most of the practical experience in administering  
25 sales taxes is found at the state level; accordingly, a national  
26 retail sales tax could be efficiently implemented by fostering  
27 administration and collection of a federal sales tax at the state

1 level, in return for a reasonable administration fee paid to the  
2 states; coordinating federal and state collection and enforcement  
3 efforts to the maximum extent possible would further contribute to  
4 the smooth transition to a national retail sales tax; while  
5 businesses would incur costs in collecting and remitting taxes,  
6 they would receive reasonable compensation for their efforts; and

7 WHEREAS, In every respect, a national retail sales tax is  
8 more equitable and advantageous than the present system of relying  
9 on income taxes; now, therefore, be it

10 RESOLVED, That the 84th Legislature of the State of Texas  
11 hereby urge the Congress of the United States to abolish the current  
12 income-based system of taxation, to enact a national retail sales  
13 tax, and to propose and submit to the states for ratification the  
14 repeal of the Sixteenth Amendment to the United States  
15 Constitution; and, be it further

16 RESOLVED, That the Texas secretary of state forward official  
17 copies of this resolution to the president of the United States, to  
18 the president of the Senate and the speaker of the House of  
19 Representatives of the United States Congress, and to all the  
20 members of the Texas delegation to Congress with the request that  
21 this resolution be entered in the Congressional Record as a  
22 memorial to the Congress of the United States of America.