

# TUA NEWS RELEASE

## TAXPAYERS UNITED OF AMERICA

205 W. Randolph Street • Suite 1305 • Chicago, IL 60606  
• [www.taxpayersunited.org](http://www.taxpayersunited.org) • E-mail: [info@taxpayersunited.org](mailto:info@taxpayersunited.org)

FOR IMMEDIATE RELEASE  
October 8, 2021

Contact: Jim Tobin (773) 354-2076  
(312) 427-5128

## TAX FOUNDATION OFFICER TESTIFIES AT JOINT ECONOMIC COMMITTEE HEARING ON BIDEN'S BUILD BACK BETTER AGENDA

Dr. William McBride, Tax Foundation Vice President of Federal Tax and Economic Policy, testified at the Joint Economic Committee hearing in Washington on October 6, 2021. His comments were entitled, "Building Back Better: Raising Revenue to Invest in Shared Prosperity." He indicated there were three takeaways from the Foundations analysis of Pres. Biden's plan:

- Corporate tax is not just paid by corporate shareholders: raising the corporate tax rate would reduce investment and productivity growth, ultimately leading to lower wages across the board.
- Further increasing the progressivity of the tax code by raising individual income taxes for high-income earners comes with a cost: it will reduce incentives to work, save, and invest, broadly reducing employment opportunities throughout the economy.
- The tax code is not an effective tool for social policy: optimal tax policy raises the amount of revenue needed while creating minimal economic costs, and other goals are better addressed through proper spending programs.

After presenting the foundation's analysis, McBride stated his conclusions:

"The costs of the higher taxes should be weighed against the benefits, e.g., more tax revenue, improved public health, etc. Likewise, taxing income will reduce the generation of income. That means a smaller economy, less prosperity, and less opportunity. The economic costs can exceed the benefits in terms of tax revenue, and that is what we find with the House bill."

"The IRS can only do so much, and taxpayers are getting confused. The tax code is already excessively complex and the IRS is overwhelmed in its ability to administer and enforce the tax laws. There is a limit beyond which adding more complex provisions to the tax code no longer benefits taxpayers, the government, or the country as a whole. Rather than pushing the limit, we should seriously consider simplification."

Source: <https://taxfoundation.org/build-back-better-revenue-joint-economic-committee-tax/>