

## **PRESS RELEASE**

(Please forward if sent to wrong person)

CONTACT: Roger Buchholtz

FOR IMMEDIATE RELEASE

Kalamazoo, MI 10/6/08

**For suspending the truth Mark Schauer has been placed in the FairTax Hall of Shame by Americans For Fair Taxation**



**Mark Schauer**

MI, District 7 Candidate is challenging FairTax supporter and incumbent Timothy Walberg

This is an election year so some politicians will say anything to retain their office, or bump an incumbent from theirs. And so, there is an effort to discredit the FairTax by some politicians that want to continue the practice of hiding taxes in prices so that citizens won't know their true tax burden. At [www.fairtax.org](http://www.fairtax.org) there is a complete description of the FairTax, but for the reader's convenience the FairTax is a simple retail sales tax that raises the same amount of money as the taxes it replaces. It replaces the income tax (business and personal), Social Security and Medicare taxes, and death and gift taxes. It will reduce tax compliance cost from today's \$1,700 to \$50 per citizen.

The current tax system places American business and labor at an average 20% disadvantage with foreign producers, is costing Americans their jobs and threatening their retirements. 22% of the retail price of everything produced in America is taxes, including food, medicine and medical care.

Taxing business is a dishonest way of taxing citizens, as Dr. Alan Greenspan has lectured Congress, "Only people pay taxes." Businesses treat taxes like other expenses and add them to the price of the products being produced. Citizens pay these "business" taxes when we buy American produced products... and we pay again when we lose our jobs when American products can't compete with foreign goods and services. Foreign

products imported to America have very little tax imbedded in their price as most taxes are rebated to the producer when the product is exported to America. When we export to a foreign country that country adds their tax of around 20% to our price. The result: products produced by American business and labor always have a competitive disadvantage of around 20%.

As we export our industry, and with it our technology, we export our ability to defend ourselves. Do we want to depend on China to supply our troops with tanks, planes and guns?

There is \$22 million in research on the FairTax. Citizens can learn more at [www.fairtax.org](http://www.fairtax.org) so that we can be informed of the truth... rather than the spin of the lobbyists and politicians that, today, are benefiting from the buying and selling of tax favors. The current tax system encourages the buying and selling of tax favors and this practice has corrupted too many public officials. Under the FairTax there is no opportunity to trade in tax favors as it does not permit loopholes.

The FairTax includes a monthly "prebate"/payment to all legal households that untaxes expenditures up to the poverty level. This prebate untaxes the poor and causes the sales tax to be progressive (the more a family spends above the poverty level the higher their effective tax rate).

A brochure paid for by the Democratic Congressional Campaign Committee is being distributed throughout the 7th congressional district that distorts the truth about the FairTax and uses the distortions to attack incumbent and FairTax supporter, Tim Walberg. Mark Schauer is spreading these distortions as he campaigns to unseat Tim Walberg.

The brochure is extremely misleading as it calls the FairTax a tax increase, but studies confirm it will only raise the same amount of revenue as the taxes it replaces. The brochure carefully omits the fact that the FairTax replaces/eliminates our current loophole riddled, unfair and incomprehensible tax code. It fails to mention that today we pay a 22% hidden sales tax that is imbedded in the price of everything we buy, to include, food, medicine, gas and that the FairTax will eliminate these hidden taxes. When today's hidden taxes are excluded from prices, then the visible FairTax is added, prices will be about the same as they are today. It, also, claims that the FairTax will hurt seniors the most, but studies show everyone will benefit from the FairTax, especially people at lower income levels. In addition, it fails to mention that the current tax code places American business and labor at ~20% competitive disadvantage and is destroying our economy and threatening our security.

Shame on Mark Schauer, and thank you Tim Walberg for taking the political risk to propose a real solution to America's economic decline.

Below is exact copy from the brochure printed by the Democratic Congressional Campaign Committee. This information is also being disseminated by radio, TV and phone ads.

# **'EXTREME NEW TAX ALERT** **HELPFUL INFORMATION ABOUT HOW** **YOU CAN AVOID WALBERG'S EXTREME** **NEW 23% NATIONAL SALES TAX**

## **Dear Taxpayer:**

This is tax increase alert designed to help you avoid Tim Walberg's extreme plan to overhaul the tax code and implement a new 23% national sales tax. Here are some commonly asked questions about Congressman Walberg's new 23% national sales tax. **We hope this helps...**

## **WHAT WOULD WALBERG'S 23% SALES TAX DO?**

Walberg's tax increase would apply to almost everything your family buys, from prescription medicine, and telephone service for your home and business to food and clothing for your family.

## **HOW WOULD WALBERG'S NATIONAL SALES TAX AFFECT THE PRICE OF GAS?**

Gas prices are at record highs, but Walberg's new 23% national sales tax would raise the price of gas by almost a dollar a gallon.

## **WHO DOES WALBERG'S 23% SALES TAX HURT THE MOST?**

His plan would give massive tax cuts to millionaire investors on Wall Street but his increase applies to things people need most, like food, prescription medicine, hitting Michigan seniors the hardest.

## **HOW CAN I AVOID PAYING FOR WALBERG'S 23% SALES TAX?**

**Vote for Change"**