



# Congressional Record

PROCEEDINGS AND DEBATES OF THE *111<sup>th</sup>* CONGRESS, FIRST SESSION

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## *House of Representatives*

### THE FAIR AND SIMPLE TAX (FAST) ACT

STATEMENT OF HON. DAVID DREIER  
OF CALIFORNIA  
IN THE HOUSE OF REPRESENTATIVES  
JANUARY 6, 2009

**Mr. DREIER.** Madam Speaker, virtually everyone is talking about the need for us to have a second economic stimulus package. From falling home prices to rising unemployment, there is no doubt that the economic volatility our nation has experienced over the past few months has caused great uncertainty and there are many needs that have to be met. As we seek to get our economy back on track, I am very proud to be introducing what I think is the closest thing to a panacea to the economic growth challenge that we are facing.

This plan, known as Fair and Simple Tax Act, or simply FAST, would cut the number of tax brackets in half, with three simple tax rates – 10% on the first \$40,000 in income, 15% on incomes between \$40,000 and \$150,000 and 30% on any income above \$150,000, significantly reducing the burden on taxpayers at all income levels. Furthermore, it will dramatically simplify the tax filing process by creating a one-page tax form implements the three-tier simplified marginal rate structure, while retaining many of the popular deductions, including mortgage interest, state and local taxes, charitable giving, the personal exemption and the child tax credit.

But the FAST Act is about much more than just lowering marginal tax rates for working families or making that April 15 deadline easier to meet each year. It's about getting our economy growing again and creating new opportunities. This bill reduces the capital gains rate from 15 percent to 10 percent, lowers the top corporate rate from 35 percent to 25 percent and permanently extends the research and development tax credit. These provisions will not only promote new economic growth, but they will also make the U.S. economy more competitive and help to provide the tax certainty that spurs investment and capital improvements.

The FAST Act will permanently end the death tax and will further index the alternative minimum tax (AMT) to inflation, ensuring that fewer taxpayers are impacted each year. It also permanently extends the 2001 and 2003 pro-growth tax cuts.

Finally, the FAST Act will enable Americans to better prepare for their future needs. This legislation creates three new, tax-free savings accounts: the Retirement Savings Account and the Lifetime Savings Account, both providing a \$5,000 tax-free contribution, and the Lifetime Skills Savings Account, which provides a \$1,000 tax-free contribution. Additionally, the FAST Act provides a \$7,500 tax deduction for individuals and a \$15,000 tax deduction for families who do not receive employer-sponsored health coverage. This expanded deduction will provide individuals and families with additional assistance to purchase healthcare and allows unspent funds to be allocated to a Health Savings Account (HSA). Each of these provisions will help Americans to secure their financial futures by saving for healthcare costs, continuing education and retirement.

Madam Speaker, our nation is facing a severe economic crisis that must be addressed comprehensively. I believe that the FAST Act will go a long way toward providing the simplicity, fairness and clarity that are needed for long-term growth. As we consider economic stimulus proposals in the days and weeks ahead, I hope my colleagues will join me in pursuing this pro-growth reform agenda.