

American public demands it. They see our tax system as unfair, and they are right. As it was in the mid-1980s, the time is ripe to begin taking serious steps towards achieving fundamental tax reform. We must listen to our constituents and be up to task to implementing a fair tax system.

TAX REFORM

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 2004

Mr. LANGEVIN. Mr. Speaker, today I rise to highlight the increasing complexity in the tax code that bogs down small businesses in my district.

Shortly after President Bush took office in 2001, he declared, "Americans want our tax

code to be reasonable and simple and fair. These are goals that unite our country, and these are goals that have shaped my plan." I could not agree more with the President's words, but unfortunately his actions have not matched his rhetoric.

Over the past three and a half years, the federal income tax code has grown by more than 10,000 pages due to 227 changes, not including the 109 proposed tax changes in the manufacturing tax bill that recently passed the House. Instead of helping small businesses create jobs in America, this legislation actually encourages companies to move workers abroad.

According to the IRS, small businesses and self-employed taxpayers now spend an average of nearly 60 hours on tax preparation. That means a business owner or employee uses more than a full work week compiling information and filling out tax forms rather than working to grow the business.

A recent GAO study concluded that small businesses overpay their taxes by billions of dollars per year because of tax return errors. Even tax preparation professionals make errors because the code is too complicated to know about every single available deduction.

Republicans have been so preoccupied with cutting taxes that they have not taken into account the burden this new complexity causes for taxpayers. We need a simpler tax code that allows companies to spend less time filling out forms and more time on business.

While Republicans continuously speak about making tax simplification a reality, they have done nothing but add to the misunderstanding and complexity. I urge the adoption of legislation to reduce the paperwork burden on our small businesses so that they can concentrate on their work, not deciphering the tax code.