

HR 1040

Freedom Flat Tax Act

Congress: 109 (2005–2007, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Mar 2, 2005

Current Status: Referred to the House Committee on Ways and Means.

Latest Action: Referred to the House Committee on Ways and Means. (Mar 2, 2005)

Official Text: <https://www.congress.gov/bill/109th-congress/house-bill/1040>

Sponsor

Name: Rep. Burgess, Michael C. [R-TX-26]

Party: Republican • State: TX • Chamber: House

Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Bonilla, Henry [R-TX-23]	R · TX		Mar 2, 2005
Rep. Hall, Ralph M. [R-TX-4]	R · TX		Mar 2, 2005
Rep. McCaul, Michael T. [R-TX-10]	R · TX		Mar 2, 2005
Rep. Scott, David [D-GA-13]	D · GA		Mar 2, 2005
Rep. Sessions, Pete [R-TX-32]	R · TX		Mar 15, 2005
Rep. Pence, Mike [R-IN-6]	R · IN		Sep 6, 2006
Rep. Sekula Gibbs, Shelley [R-TX-22]	R · TX		Dec 6, 2006

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Mar 2, 2005

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
109 HR 5176	Related bill	<b>Apr 25, 2006:</b> Referred to the House Committee on Ways and Means.
109 S 1927	Related bill	<b>Nov 1, 2005:</b> Sponsor introductory remarks on measure. (CR S12146-12148)
109 S 1099	Related bill	<b>May 23, 2005:</b> Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S5782-5784)
109 S 812	Related bill	<b>Apr 15, 2005:</b> Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S3742-3747)

## Summary (as of Mar 2, 2005)

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Freedom Flat Tax Act - Amends the Internal Revenue Code to authorize an individual or a person engaged in business activity to make an irrevocable election to be subject to a flat tax (in lieu of the existing tax provisions) of 19 percent for the first two years after an election is made, and 17 percent thereafter.

Calculates taxable income for individual taxpayers by subtracting a basic standard deduction and an additional standard deduction for each dependent from the total of wages, retirement distributions, and unemployment compensation.

Defines "business taxable income" to mean gross active income reduced by the cost of certain business inputs.

Imposes an employer tax on the value of excludable compensation provided to employees not engaged in business activity of 19 percent for the first two years after an election is made under this Act and 17 percent thereafter.

Repeals the estate, gift, and generation-skipping transfer taxes.

Requires a two-thirds vote of the House of Representatives or the Senate to increase the flat tax rate proposed by this Act or to reduce the amount of the standard deduction or business-related deductions allowed by this Act.

## Actions Timeline

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- **Mar 2, 2005:** Introduced in House
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