

S 1921

A bill to promote freedom, fairness, and economic opportunity by repealing the income tax and other taxes, abolishing the Internal Revenue Service, and replacing such taxes with a national sales tax and a business tax.

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Oct 26, 2005

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Oct 26, 2005)

Official Text: <https://www.congress.gov/bill/109th-congress/senate-bill/1921>

Sponsor

Name: Sen. DeMint, Jim [R-SC]

Party: Republican • **State:** SC • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Graham, Lindsey [R-SC]	R · SC		Oct 26, 2005

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Oct 26, 2005

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
109 HR 25	Related bill	Nov 1, 2005: Sponsor introductory remarks on measure. (CR H9439)
109 S 25	Related bill	Jan 24, 2005: Read twice and referred to the Committee on Finance.

Repeals: (1) the income tax, including the tax on capital gains and the alternative minimum tax; (2) estate, gift, and generation-skipping transfer taxes; and (3) the Financing of Presidential Election Campaigns provisions.

Imposes a sales tax of 8.4% on the use or consumption of taxable property or services, to be administered and collected by the states. Allows certain credits against such tax for, among other things, business use conversion, export sales, bad debt, insurance proceeds, and previously taxed property. Grants a family consumption allowance for certain low-income families.

Repeals the corporate income tax and related provisions. Imposes a business tax of 8.4% of the annual gross profit on the sale of taxable property and services in the United States by a business entity. Defines "gross profits" as the taxable receipts of a business entity over the allowable deductible amounts for such entity, including the cost of business purchases and loss carryover deductions.

Sets forth rules for the taxation of income from the non-exempt business activities of governmental entities. Revises the tax treatment of charitable and other nonprofit organizations.

Imposes a tax of 8.4% of the customs value of all property brought into the United States for consumption, use, or warehousing.

Revises tax administration provisions, including registration, accounting, penalty, and taxpayer rights provisions.

Prohibits funding of the Internal Revenue Service after FY2010.

Savings for Working Families Act of 2005 - Allows certain low-income individuals to establish individual development accounts (IDAs) to accumulate assets for, among other things, higher education expenses, first-time home purchases, and business capitalization or expansion costs. Provides for federal matching funds to certain financial institutions for investment in IDAs.

Actions Timeline

- **Oct 26, 2005:** Introduced in Senate
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