

S 25

Fair Tax Act of 2005

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Jan 24, 2005

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

Latest Action: Read twice and referred to the Committee on Finance. (Jan 24, 2005)

Official Text: https://www.congress.gov/bill/109th-congress/senate-bill/25

Sponsor

Name: Sen. Chambliss, Saxby [R-GA]

Party: Republican • State: GA • Chamber: Senate

Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Coburn, Tom [R-OK]	R · OK		Sep 6, 2005
Sen. Cornyn, John [R-TX]	R · TX		Apr 4, 2006
Sen. Isakson, Johnny [R-GA]	R · GA		May 22, 2006

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jan 24, 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 1921	Related bill	Oct 26, 2005: Read twice and referred to the Committee on Finance.

Fair Tax Act of 2005 - Repeals the income tax, employment tax, and estate and gift tax. Redesignates the Internal Revenue Code of 1986 as the Internal Revenue Code of 2005.

Imposes a national sales tax on the use or consumption in the United States of taxable property or services. Sets the sales tax rate at 23 percent in 2007, with adjustments to the rate in subsequent years. Allows exemptions from the tax for property or services purchased for business, export, or investment purposes and for State government functions.

Sets forth rules relating to: (1) the collection and remittance of the sales tax; and (2) credits and refunds. Allows families a sales tax rebate.

Grants States the primary authority for the collection of sales tax revenues and the remittance of such revenues to the Treasury. Sets forth administrative provisions relating to: (1) the filing of monthly reports and payments of tax; (2) accounting methods; (3) registration of sellers of goods and services responsible for reporting sales; (4) penalties for noncompliance; and (5) collections, appeals, and taxpayer rights.

Directs the Secretary of the Treasury to allocate sales tax revenues among: (1) the general revenue; (2) the old-age and survivors insurance trust fund; (3) the disability insurance trust fund; (4) the hospital insurance trust fund; and (5) the Federal supplementary medical insurance trust fund.

Prohibits the funding of the Internal Revenue Service (IRS) after FY 2009. Establishes in the Department of the Treasury: (1) an Excise Tax Bureau to administer excise taxes not administered by the Bureau of Alcohol, Tobacco and Firearms (ATF); and (2) a Sales Tax Bureau to administer the national sales tax.

Actions Timeline

- **Jan 24, 2005:** Introduced in Senate
- **Jan 24, 2005:** Sponsor introductory remarks on measure. (CR S215)
- **Jan 24, 2005:** Read twice and referred to the Committee on Finance.