

HR 5176

Fair Flat Tax Act of 2006

**Congress:** 109 (2005–2007, Ended)

**Chamber:** House

**Policy Area:** Taxation

**Introduced:** Apr 25, 2006

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

**Latest Action:** Referred to the House Committee on Ways and Means. (Apr 25, 2006)

**Official Text:** <https://www.congress.gov/bill/109th-congress/house-bill/5176>

Sponsor

**Name:** Rep. Emanuel, Rahm [D-IL-5]

**Party:** Democratic • **State:** IL • **Chamber:** House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Apr 25, 2006

Subjects & Policy Tags

**Policy Area:**

Taxation

Related Bills

Bill	Relationship	Last Action
<a href="#">109 S 1927</a>	Related bill	<b>Nov 1, 2005:</b> Sponsor introductory remarks on measure. (CR S12146-12148)
<a href="#">109 S 1099</a>	Related bill	<b>May 23, 2005:</b> Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S5782-5784)
<a href="#">109 S 812</a>	Related bill	<b>Apr 15, 2005:</b> Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S3742-3747)
<a href="#">109 HR 1040</a>	Related bill	<b>Mar 2, 2005:</b> Referred to the House Committee on Ways and Means.

Fair Flat Tax Act of 2006 - Amends the Internal Revenue Code to revise the individual income tax system by: (1) reducing the number of individual income tax brackets to three (15, 25 & 35%); (2) repealing after 2005 the tax rate reductions for capital gains and dividend income; (3) repealing various tax credits, deductions, exclusions and preferences; (4) increasing the basic standard tax deduction; (5) allowing families with dependent children a standard tax credit amount based on family size or modified adjusted gross income; (6) allowing a tax credit for higher education expenses; (7) allowing non-itemizing taxpayers a tax deduction for home mortgage interest and for contributions to tax-exempt universal pension accounts; (8) allowing certain small employers a tax credit for costs associated with universal pension accounts; and (9) repealing the alternative minimum tax for individual taxpayers.

Imposes a flat tax of 35% on corporate taxable income. Limits tax write-offs for use of corporate aircraft and employee personal use of noncommercial aircraft. Requires governmental agencies to withhold 3% of payments made for goods and services.

Imposes penalties for promoting abusive tax shelters and for aiding and abetting the understatement of tax liability. Increases tax penalties for fraud and failure to file tax returns. Defines "economic substance" for purposes of evaluating tax shelter transactions.

Eliminates amortization of geological and geophysical expenditures for integrated oil companies. Requires such oil companies to adjust the value of LIFO inventories of crude oil, natural gas, and other petroleum products.

Requires an inflation adjustment to the excise tax on distilled spirits, beer, wine, and tobacco.

Terminates this Act after 2010.

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## **Actions Timeline**

- **Apr 25, 2006:** Introduced in House
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