

## HR 25

Fair Tax Act of 2009

**Congress:** 111 (2009–2011, Ended)

**Chamber:** House

**Policy Area:** Taxation

**Introduced:** Jan 6, 2009

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

**Latest Action:** Referred to the House Committee on Ways and Means. (Jan 6, 2009)

**Official Text:** <https://www.congress.gov/bill/111th-congress/house-bill/25>

### Sponsor

**Name:** Rep. Linder, John [R-GA-7]

**Party:** Republican • **State:** GA • **Chamber:** House

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Jan 6, 2009

### Subjects & Policy Tags

**Policy Area:**

Taxation

### Related Bills

Bill	Relationship	Last Action
111 S 296	Identical bill	<b>Jan 22, 2009:</b> Read twice and referred to the Committee on Finance.

Fair Tax Act of 2009 - Repeals the income tax, employment tax, and estate and gift tax. Redesignates the Internal Revenue Code of 1986 as the Internal Revenue Code of 2009.

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% in 2011, 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 a monthly sales tax rebate for families meeting certain size and income requirements.

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 FY2013. Establishes in the Department of the Treasury: (1) an Excise Tax Bureau to administer excise taxes not administered by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF); and (2) a Sales Tax Bureau to administer the national sales tax.

Terminates the sales tax imposed by this Act if the Sixteenth Amendment to the U.S. Constitution (authorizing an income tax) is not repealed within seven years after the enactment of this Act.

## **Actions Timeline**

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- **Jan 6, 2009:** Introduced in House
- **Jan 6, 2009:** Referred to the House Committee on Ways and Means.