

## S 741

Flat Tax Act of 2009

**Congress:** 111 (2009–2011, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Mar 30, 2009

**Current Status:** Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S4065-4070)

**Latest Action:** Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S4065-4070)  
(Mar 30, 2009)

**Official Text:** <https://www.congress.gov/bill/111th-congress/senate-bill/741>

### Sponsor

**Name:** Sen. Specter, Arlen [R-PA]

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

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Mar 30, 2009

### Subjects & Policy Tags

**Policy Area:**

Taxation

### Related Bills

*No related bills are listed.*

Flat Tax Act of 2009- Replaces the income tax with a flat tax of 20 percent of taxable earned income of individual taxpayers. Defines "taxable earned income" as the excess of earned income (wages, salaries, professional fees) over a standard deduction, a deduction for cash charitable contributions, and a deduction for home mortgage interest. Sets forth definitions and special rules for surviving spouses, heads of household, and dependents.

Imposes a flat tax of 20 percent on business taxable income. Defines "business taxable income" as gross active income (other than investment income) reduced by: (1) the cost of business inputs (cost of specified goods, services, travel, and entertainment expenditures); (2) employee compensation; and (3) the cost of personal and real property used in business activities. Disallows a deduction from gross active business income for purchases of goods and services provided to employees or owners and certain lobbying and political expenditures.

Repeals: (1) estate, gift, and generation-skipping transfer taxes; (2) financing of presidential election campaigns provisions; and (3) coal industry health benefits provisions.

### **Actions Timeline**

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- **Mar 30, 2009:** Introduced in Senate
- **Mar 30, 2009:** Sponsor introductory remarks on measure. (CR S3994-3997)
- **Mar 30, 2009:** Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S4065-4070)