

HR 25

FairTax Act of 2025

Congress: 119 (2025–2027, Current)

Chamber: House

Policy Area: Taxation

Introduced: Jan 3, 2025

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

Latest Action: Referred to the House Committee on Ways and Means. (Jan 3, 2025)

Official Text: <https://www.congress.gov/bill/119th-congress/house-bill/25>

Sponsor

Name: Rep. Carter, Earl L. "Buddy" [R-GA-1]

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

Cosponsors (14 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Biggs, Andy [R-AZ-5]	R · AZ		Jan 3, 2025
Rep. Burlison, Eric [R-MO-7]	R · MO		Jan 3, 2025
Rep. Carter, John R. [R-TX-31]	R · TX		Jan 3, 2025
Rep. Clyde, Andrew S. [R-GA-9]	R · GA		Jan 3, 2025
Rep. Davidson, Warren [R-OH-8]	R · OH		Jan 3, 2025
Rep. McCormick, Richard [R-GA-7]	R · GA		Jan 3, 2025
Rep. Perry, Scott [R-PA-10]	R · PA		Jan 3, 2025
Rep. Rutherford, John H. [R-FL-5]	R · FL		Jan 3, 2025
Rep. Strong, Dale W. [R-AL-5]	R · AL		Jan 3, 2025
Rep. Loudermilk, Barry [R-GA-11]	R · GA		Jan 6, 2025
Rep. Harris, Andy [R-MD-1]	R · MD		Jan 7, 2025
Rep. Harris, Mark [R-NC-8]	R · NC		Feb 4, 2025
Rep. Collins, Mike [R-GA-10]	R · GA		Feb 14, 2025
Rep. Moore, Barry [R-AL-1]	R · AL		Mar 31, 2025

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Jan 3, 2025

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Summary (as of Jan 3, 2025)

FairTax Act of 2025

This bill replaces federal income, payroll, estate, and gift taxes with a federal sales tax beginning in 2027 and eliminates the Internal Revenue Service.

The bill establishes a 23% tax-inclusive (30% tax-exclusive) federal sales tax rate on taxable property and services to be administered primarily by each state. The federal sales tax rate is adjusted annually beginning in 2028 so that it is the sum of the

- general revenue rate (14.91%);
- old-age, survivors and disability insurance rate; and
- hospital insurance rate.

The bill includes exemptions for property or services purchased for business, investment, and certain state government functions.

Registered, qualified families may receive a monthly sales tax rebate in the amount of the monthly federal poverty level (or twice such amount for married individuals) multiplied by the federal sales tax rate. Each family member must have a Social Security number and be a lawful resident of the United States.

Federal sales tax revenues are allocated to general revenue, the Social Security trust funds, and the Medicare trust funds. (Special allocation rules apply for 2027.)

The bill eliminates appropriations for the Internal Revenue Service after FY2029 and establishes an Excise Tax Bureau and a Sales Tax Bureau within the Department of the Treasury.

Finally, the bill terminates the federal sales tax if the Sixteenth Amendment to the Constitution (authorizing a federal income tax) is not repealed within seven years from the date the bill is enacted.

Actions Timeline

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