

**Statement of Deroy Murdock  
Fox News Contributor and  
Senior Fellow, Atlas Network  
Fairness in Taxation  
U.S. Senate Committee on Finance  
March 3, 2015**

**Good morning.**

**Thank you very much for inviting me here today.**

**I am thrilled to participate, and especially delighted to appear before Chairman Hatch, for whom I interned while a student at Georgetown University.**

**Who would have imagined 30 years ago, Mr. President *pro tem*, that we would be here today, in such elevated circumstances?**

**As I thought about today's topic, I imagined someone weighing two job offers:**

**Company A offers \$50,000, but the boss makes \$55,000.**

**That represents an income gap of just 10 percent.**

**I think even the Occupy Wall Street people could live with that.**

**Now Company B offers \$500,000, but the boss makes \$1 million.**

**Imagine that!**

**Income inequality of 100 percent.**

**Who does the boss think he is?**

**Now would you prefer job offer A?**

**How about job offer B?**

**Most people would grab the half million dollars and laugh all the way to the bank — never mind the 100 percent income gap.**

**And that's the point.**

**Too much of our political rhetoric these days revolves around envy, resentment, and sometime even violence towards the affluent, all in an effort to take what they have and redistribute it to those who have less.**

**Obama's words from September 27, 2011 illustrate this point.**

**He said:**

**“If asking a millionaire to pay the same tax rate as a plumber makes me a class warrior — a warrior for the working class — I will accept that. I will wear that charge as a badge of honor.”**

**The American Left has made plenty of hay about the notion that the wealthy do not pay “their fair share” of taxes.**

**This is an exciting slogan.**

**Too bad it is unsupported by facts.**

**According to Internal Revenue Service data, in 2012, the top 1 percent of tax filers earned 21.9 percent of all adjusted gross income.**

**They also paid 38.1 percent of all federal income taxes.**

**That looks to me like more than their “fair share.”**

**The top 10 percent of earners made 47.9 percent of AGI and paid 70.2 percent of income taxes.**

**What about the bottom 50 percent?**

**They made 11.1 percent of AGI and paid just 2.8 percent of federal income taxes.**

**So, rather than berate top income earners, we should thank them for paying more than their fair share to keep Washington so generously funded.**

**Rather than obsess over how to squeeze, humiliate, and punish the wealthy, let's focus on how to lift the incomes of those at the opposite end of the income distribution.**

**Rather than drag the wealthy from their penthouses, let's figure out how to bring those on the sidewalk up to the third or fourth floor, and help them move up from there.**

**I would make three suggestions:**

**First, America needs a tax code that is geared towards dynamic, robust economic growth — the kind of expansion in national output that enriches the poor and middle class, as well as the affluent.**

**I recommend scrapping the U.S. Tax Code in its 72,000-page splendor and replacing it with a flat tax.**

**While this idea needs deeper study and proper scoring, the National Taxpayers Union has estimated, very roughly, that a 10 percent tax with no deductions paid by all American adults would generate about as much income as today's convoluted system.**

**I call this the 0-10-100 Plan, and we can discuss it further, if you like.**

**The fairest tax would be one universal rate.**

**Everyone would pay his fair share.**

**Second, America's 35 percent corporate tax is the OECD's highest.**

**This is absurd, self-destructive, and a national disgrace.**

**The corporate tax should be slashed dramatically, if not scrapped altogether.**

**Shrinking or eliminating the corporate tax would be a small price to pay for the far, far greater benefit of seeing American companies remain here, rather than move offshore and haul jobs with them.**

**And if a far more competitive corporate tax system actually attracts foreign firms to relocate here, all the better for Americans, especially those with low incomes.**

**Third, disadvantaged Americans need to make themselves globally competitive.**

**Good luck doing so with the often calamitous government schools that hermetically seal the minds of too many low-income and minority children.**



**Higher standards, charter schools, and initiatives like the Washington, D.C. voucher program and the private Harlem Educational Activities Fund will help these children develop the intellects and skills that they need to prosper in a world where the Internet ships talent across borders at the speed of light.**

**Thank you very much, Mr. Chairman, ranking member Wyden, and the other members of the Committee.**

**I look forward to your questions and comments.**