



FOR IMMEDIATE RELEASE

March 3, 2015

CONTACT: [Aaron Fobes](#) , [Julia Lawless](#)

(202) 224-4515

Hatch Statement at Finance Hearing on Fairness in Taxation

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a committee hearing on fairness in taxation:

The committee will come to order.

I want to welcome everyone to today's hearing to discuss Fairness in Taxation. I also want to thank our witnesses for appearing before the committee today. I'm especially delighted that one of our witnesses, Deroy Murdock, is a former intern of mine from the Reagan era.

Welcome back, Mr. Murdock. Welcome to our entire panel.

Speaking of the Reagan era, we all know that the last successful comprehensive tax reform effort took place during that time, nearly three decades ago. During that effort, President Reagan emphasized three principles for tax reform: efficiency, fairness, and simplicity.

I've made no secret that I believe these same principles – along with a handful of others – should guide our current reform efforts.

The Finance Committee had a hearing on efficiency and growth just last week. And a hearing on simplicity will be coming in the future. Today, we focus on the tax reform goal of fairness.

If our tax reform efforts are going to be successful, it is essential that the final – hopefully bipartisan – product is viewed as fair. If the American people do not believe a tax reform proposal is fair, it's hard to see, politically, how it could be enacted.

Quite simply, fairness, in the context of the tax code, means that similarly situated taxpayers should be treated similarly. The tax code should not pick winners and losers. It should, instead, be crafted to allow people to prosper with as little interference from the government as possible.

Since the 1986 reforms, our tax code has become riddled with credits, deductions, exclusions and exemptions, many of which serve to benefit certain taxpayers at the expense of others. A fairer tax code would be one that eliminates many of these tax expenditures, allowing us to broaden the base and lower the overall tax rates.

Fairness also means that, to the extent reasonably possible, Americans should make some contributions for the benefits they receive from the government. Clearly, we need to make exceptions for the truly needy. Indeed, our tax code should be progressive enough to acknowledge individual taxpayers' ability to pay. But, the current situation – where nearly half the country is effectively shielded from the cost of funding the federal government – deserves some attention in tax reform.

There is no denying that some of our fellow citizens – particularly those with lower incomes – have been left behind. Though we've seen some upticks in economic growth, many are not experiencing a positive impact on their own situations.

This is a concern to all of us.

President Kennedy once said that a rising tide lifts all boats. But how is it that we have an economy where not all boats are currently being lifted?

Part of the reason for that is that US law has high hidden marginal tax rates – even for low- and modest-income people – that discourage career advancement, labor, and savings. I look forward to hearing more about what we can do to see that more boats are lifted by the rising tides.

Fairness will undoubtedly be one of the keys to tax reform. While I know that, in the context of the tax code, fairness may mean different things to different people, I think we've assembled a panel today that will allow us to sift through these arguments and arrive at some helpful conclusions.

Before I turn it over to our ranking member, I just want to note that I may have to step out from the hearing. I thank my friend Senator Heller for volunteering to preside in my absence.

In addition, we anticipate the hearing closing out at around 10:20am in order to allow members to attend Prime Minister Netanyahu's address later on this morning.

With that, I now turn it to Ranking Member Wyden for his opening remarks.

###