



# NEWS

## AMERICANS FOR TAX REFORM

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## Tax Reform Panel Rejects a VAT, Joining One Out of Four House Republicans

*--Anti-VAT Caucus Makes Its Voice Heard--*

**WASHINGTON** — The President's Advisory Panel on Federal Tax Reform today released its plans to improve the tax system. In it, they explicitly-rejected using a value-added tax, or VAT. The fact that the VAT was considered and rejected should serve as a lesson for tax reformers.

ATR has organized an Anti-VAT caucus headed up by Congressman Wally Herger (R-CA). At 64 members of the House, the Anti-VAT Caucus is the largest it has been since the mid-1990's. ATR's anti-VAT caucus is a voluntary affiliation of members of Congress who believe that a VAT is bad tax policy. The ATR Anti-VAT Caucus seeks to protect citizens from the ease with which government is able to raise taxes under the radar through a value added tax. Prior chairs have included Tom Delay and Dick Armey.

**“VAT, or a VAT by any other name, is French for “big government,” said ATR President Grover Norquist. “Before the VAT plague descended upon Europe, it had a competitive tax burden relative to the United States.”**

A value-added tax differs from a sales tax in that the value-added method places a tax on each stage of production. This allows the government to raise taxes without the full knowledge of the consumer. Since the mid-1960's, Europe has seen a tax increase of almost 50% due to the value-added tax, while the tax levels in the United States have remained nearly constant.

**“ATR is pleased to see the resurgence of the anti-VAT caucus, and is thrilled to see that the Tax Reform Commission wisely rejected a VAT,” continued Norquist. “Being saddled with a jobs and growth-killing VAT is too high a price to pay for tax reform or any other worthy reform initiative.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Chris Butler at (202) 785-0266 or by email at [cbutler@atr.org](mailto:cbutler@atr.org).

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