



AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

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A Shakedown Disguised as Reform

Senators John McCain, Russell Feingold and Robert Torricelli have joined forces with Rep. Marty Meehan to draft a bill that would ultimately pick the pockets of unwitting consumers in order to fund political campaigns – and bust through the Constitution in the process.

The proposed bill would tax broadcasters 1% of total gross revenues, with the proceeds funneled to the political parties, who in turn would grant radio and television advertising time to those candidates for federal office who raise \$125,000 in \$200 donations. (Those candidates will be eligible for twice that amount in vouchers that can be spent on broadcasting time.) The bill would also compel broadcasters to give candidates up to two hours of free and shared airtime during or close to prime time hours each week in the six weeks before an election.

Such an elaborate scheme is gratuitous because broadcasters are already required to charge politicians the lowest average rate for airtime, which is essentially a 30% discount. And experience has shown that when broadcasters have offered free airtime in the past, incumbents frequently declined the offer so as not to give challengers the benefit of high profile, zero cost publicity.

Moreover, a tax on broadcasters is simply a tax on all Americans, as the resulting increase in the cost of advertising will inevitably lead to more expensive products due to costs being passed on to consumers, who will be forced to spend more to pay for the promulgation of political opinions with which they may very well not agree.

This bill would let loose a nasty scheme for perpetual and compelled political donations. It is wholly inconsistent with the spirit (and quite possibly the letter) of the First Amendment. The recently passed campaign finance reform bill, though irretrievably flawed, was nevertheless stripped of these supremely questionable proposals. They would have made a very bad thing even worse, and were rightly jettisoned. And they should be jettisoned again.

Accordingly, Americans for Tax Reform will take any vote related to this bill under consideration when we calculate our annual congressional ratings. A vote against the bill will be a vote for the taxpayers.