

Dollars & Sense

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Sales Tax Rocks Status Quo

Presidential candidate (and Senator) Richard Lugar (R-IN) rocked Washington April 5 with his proposal "to abolish completely the federal individual and corporate tax, capital gains taxes, gift taxes, and inheritance taxes." Lugar said he "would replace the money obtained from these taxes with money from a national retail sales tax collected in the same way that state sales taxes are now collected in 45 states. I propose that the states be responsible for collection so that the federal IRS apparatus can be dismantled promptly."

Lugar's announcement immediately sent political shockwaves throughout Wash-

ington, since he is widely regarded to be a moderate Republican.

NTU Chairman Jim Davidson said, "the Lugar plan would make America once again the 'land of opportunity.' It would eliminate the perverse incentive effects of U.S. taxation that are driving away able people. Abolishing the income tax would make America the location of choice for incubating new Information Age businesses that could otherwise locate elsewhere."

The Lugar campaign proposes a tax of 17 percent to be levied on retail sales

Sales Tax, continued on page 2

Second BBA Vote Near?

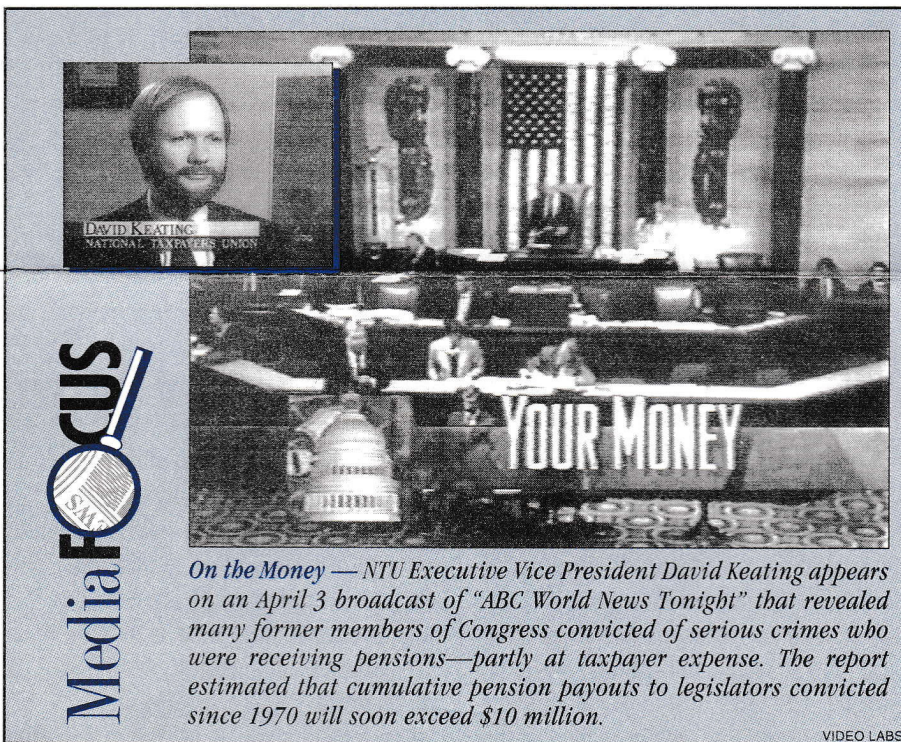
The 104th Congress has been full of surprises. But the biggest one of all may occur sooner than many would have imagined.

Senate Majority Leader Bob Dole (R-KS) changed his vote on the Balanced Budget Amendment (BBA) from "yes" to "no" so that he could bring the measure back for another vote any time during the session. The final tally for the Amendment on March 2, not including Dole's parliamentary vote switch, was 66 to 34—one vote short of the two-thirds margin required for passage.

Political observers believed Dole would not exercise his option before the fall of 1996, but recent developments may have affected that timetable. According to the April 8 edition of the *Washington Times*, Dole made a surprise announcement at an April 7 closed session of House members who were celebrating completion of legislation promised by the Contract With America. House Majority Leader Dick Armey (R-TX), who attended the meeting, told the *Times*, "... Bob Dole told us he will call the Balanced Budget Amendment up for another vote in 60 to 90 days and suggested that he had the votes."

At press time, NTU's lobbying team could not confirm the existence of the

BBA Vote, continued on page 2



Media Focus

On the Money — NTU Executive Vice President David Keating appears on an April 3 broadcast of "ABC World News Tonight" that revealed many former members of Congress convicted of serious crimes who were receiving pensions—partly at taxpayer expense. The report estimated that cumulative pension payouts to legislators convicted since 1970 will soon exceed \$10 million.

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