

# TAX *Bites* Revisits the 1986 Act Era

By Gail L. Richmond\*

The names may have changed, but the rhetoric remains the same. In celebration of the 1986 Act's 25th anniversary, Tax Bites offers some remarks from the 1985 and 1986 volumes of *Congressional Record*.

I have never viewed taxation as a means of rewarding one class of taxpayers or punishing another. If such a point of view ever controls our public policy, the traditions of freedom, justice and equality of opportunity, which are the distinguishing characteristics of our American civilization, will have disappeared and in their place we shall have class legislation with all its attendant evils. The man who seeks to perpetuate prejudice and class hatred is doing America an ill service. In attempting to promote or defeat legislation by arraying one class of taxpayers against another, he shows a complete misconception of those principles of equality on which the country was founded.

—*Senator Dennis DeConcini*  
(January 31, 1985)

Now, when you look back on it, frankly, the record of the two parties is not very good. On this side of the aisle perhaps we have been most guilty of paying for programs with red ink, expanding the spending without expending the money in the till to pay for those programs, and I would have to say that this administration, quite frankly, has erred on the other side. They have loved to give those tax cuts, but they have written them with red ink. They have paid for those tax cuts out of the deficit, with money that we did not have. Each side of this process has been giving in to what has been politically easy. It is easy to give tax cuts. None of us ever likes to oppose tax cuts.

—*Senator David Boren*  
(October 4, 1985)

But I come back again to the perception of fairness. If the public does not perceive the Tax Code as fair, then that does not bode well for this country or for this Congress. Consequently, we will enact a minimum tax taxing corporations, taxing wealthy individuals, and somehow requiring that they must pay some tax, no matter how legitimate their deductions, no matter how worthy the social purposes that they support, because we cannot have those stories appear somehow they have evaded, avoided taxation because the impression given is that they have done it immorally, unethically, illegally. They have not. They have undertaken deliberate actions which the tax law encouraged them to undertake.

So there is a down side. But I think on balance it is more important that they pay some tax no matter how honest, legitimate, decent their deductions may be than they pay no tax and the public thinks that the Tax Code is unfair or immoral or unethical.

—*Senator Robert Packwood*  
(October 8, 1985)

I am also worried that this legislation harms the progressivity of the Tax Code. I have seen the charts presented by a number of members which demonstrate how the current system's loopholes make it less progressive than the stripped-down structure that this bill enacts. But the simple fact is, this bill leaves us with only two rates: 15 and 28 percent. It leaves a taxpayer with an income of \$50,000 paying the same percentage on his income as someone making \$500,000. No matter how unprogressive the current system may be, taxing individuals at such disparate levels of income at the same rate is just plain unfair.

—*Representative Mel Levine*  
(September 25, 1986)

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