

## Roger Lirely Review

Title: “The Fair Tax Book: Saying Goodbye to the Income Tax and the IRS”

Authors: Neal Boortz and Congressman John Linder

Publisher: HarperCollins

Length: 198 pages.

Price: \$14.95

Reading time: 3 hours.

Reading rating: 10 (1=very hard, 10=very easy).

Overall rating: 4 (1=average, 4=outstanding).

This book surprised me. Neal Boortz, a nationally-syndicated radio talk show host, is a self-proclaimed libertarian, and John Linder is a conservative Republican congressman from Georgia. I expected a book that espoused right-wing conservative politics and touted a tax system that would be regressive and unfairly biased in favor of the wealthy. Much to my surprise, I am now a convert. The book convinced me that the “fair tax” is the way out of the unintelligible morass our current system of taxation has become.

The “fair tax” advocated by Boortz and Linder is a national sales tax, to be imposed at a rate of 23 percent. The tax would be imposed on the sale of all new goods and services, without exception, including new homes and cars and medical, dental, legal and all other services. No organization or entity would be exempt, including local, state and federal governments and other non-profit organizations. The tax would not be imposed on sales of used goods, regardless of whether purchased from a retailer or private party.

The authors cite government and independent studies by several noted economists, that estimate that embedded taxes in our current tax system, that is, taxes paid by manufacturers, retailers and other providers of goods and services and passed on to the end consumer, raise the price of goods and services by approximately 22 percent. Once all federal taxes, including the income tax and social security and medicare taxes, are eliminated by the “fair tax,” these prices should decrease, under competitive market conditions, in an amount that almost virtually eliminates the “fair” tax.

Boortz and Linder take on all arguments in opposition to the tax. In Chapter 9, they explain how the “prebate” would overcome the argument that sales taxes are regressive. To ensure that the tax does not impose an unfair burden on the poor, each individual or family would receive a monthly prebate check designed to offset the tax they would pay on life necessities. The amount of the prebate check is based on the federal poverty level and is computed under a formula to eliminate the marriage penalty.

In Chapter 10, the authors explain how the fair tax would tax those who currently pay no taxes—the very wealthy who can shelter income offshore and in tax-exempt investments, illegal aliens, foreign subsidiaries and criminal enterprises. Even drug dealers buy homes, cars, food and medicine.

The book includes an interesting history of the income tax and chapters on how income tax withholding came about, how the fair tax would increase investment and improve the economy and how the fair tax would bring U.S. companies and jobs back home. One of the best chapters is titled, "Questions and Objections", wherein the authors summarize nearly every point made throughout the book and summarize how the tax overcomes most objections.

This book is an easy and informative read. I think you will come away with an entirely different view of federal taxation than you had before you read it.

Roger Lirely is a professor of accounting in the College of Business at Western Carolina University. For previously reviewed books, please visit our Web site at [www.wcu.edu/cob](http://www.wcu.edu/cob).