

## Cain Unites America: Everyone Thinks His 9-9-9 Plan is a Joke

John Hudson Oct 12, 2011

Herman Cain is sashaying in the media spotlight today after <u>dominating the discussion</u> in last night's GOP debate. But there's a problem: The entire political spectrum, from liberals to conservatives to libertarians, thinks his economic plan, which he calls 9-9-9 for its call for a 9 percent flat-rate income tax, 9 percent corporate tax, and 9 percent national sales tax, is a joke. On Thursday morning, even NBC News's <u>fair-minded</u> political reporter Chuck Todd could scarcely hide his exasperation while interviewing the candidate on MSNBC:

I want to just focus in the state of Florida, Mr. Cain, you could have people paying a 15 percent tax on consumer items. This is tough for people making under \$50,000 a year...

And Mr. Cain, everything you've described - hang on there - everything you've described -- only benefits those with very high incomes. What do you do for the family of four that makes \$50,000 a year? They're not thinking about a death tax. They're not benefiting from capital gains taxes.

Cain also went on to *Good Morning America*, where George Stephanopoulos <u>pressed</u>
Cain hard on whether the plan would "add up to a tax cut for the wealthy and an increase for the poor and middle class."

Sure, you can dismiss that rough reception as gotcha journalism from no-good reporters, but Cain is not finding much support for his tax scheme among partisans of any stripe. The former pizza magnate's economic policy is getting torn to shreds by the entire political spectrum. Behold:

**From the left:** It's an easy argument for reliable liberal <u>Steve Benen</u> at *The Washington Monthly*. "It would, as a practical matter, raise taxes on the poor considerably, make it more expensive for businesses to hire workers, and increase the deficit," he writes.

**From the right:** Conservative blogger <u>Michelle Malkin</u> applauded Republicans for deriding Cain's 9-9-9, which she slammed for "paving the way for a national sales

tax/VAT." In addition, <u>Bruce Bartlett</u>, who served in senior policy roles for the Reagan and George H.W. Bush administrations, wrote a lengthy criticism of the 9-9-9 plan in *The New York Times* yesterday:

At a minimum, the Cain plan is a distributional monstrosity. The poor would pay more while the rich would have their taxes cut, with no guarantee that economic growth will increase and good reason to believe that the budget deficit will increase.

From libertarians: The sales tax is simply unforgivable for card-carrying libertarians. "As the history of the income tax shows us, once the government has access to a new revenue stream it will inevitably act to enhance that stream as much as possible," writes <a href="Doug Mataconis">Doug Mataconis</a> at Outside the Beltway, "with a sales tax that is charged at the point of purchase and largely hidden from the taxpayer, the ability to enact stealth tax increases would be far too tempting for any Member of Congress to resist." <a href="Daniel Mitchell">Daniel Mitchell</a> at the CATO Institute, who was once supportive of the measure, is now very worried about it. "If I was uneasy when I thought that the 9-9-9 plan added a sales tax on top of the income tax, then I am super-duper-double-secret-probation uneasy about adding a sales tax and a VAT on top of the income tax."

**In defense of 9-9-9?** What does the plan have going for it? Salesmanship and simplicity! Jon Huntsman may have scoffed that he thought it "was the price of a pizza," but *The Washington Post's* Chris Cillizza explains that that's sort of the point:

Even in the best of times, people pay limited attention to campaign politics, and so what cuts through the clutter are the ideas whose appeal is tied directly to their simplicity.

The 9/9/9 plan is the essence of simplicity. It takes, literally, one sentence to explain it, and at first seems to make perfect sense. After all, Democrats and Republicans alike agree that the tax code in this country is badly in need of an overhaul due to its labyrinthine complexity. Proposing a simple solution to cut through all of that complexity is inherently appealing.

So, while Cain's plan may sound like the Pizza Hut "\$10 Any Pizza" promotion, we know that that one is both marketable and profitable.