Daily Kos

Wed Oct 12, 2011

Some conservatives worry that Cain's 9-9-9 would lead to higher taxes

By Jed Lewison

Some conservatives worry that Cain's 9-9-9 would lead to higher taxes

They're afraid Herman Cain will raise taxes:

Conservative groups from the tea party-aligned FreedomWorks to the libertarianleaning Cato Institute to Grover Norquist's Americans for Tax Reform have already begun raising questions about the plan, as has the conservative Wall Street Journal editorial board. And one of Cain's consultants said today that the plan is more of a grand idea than a practicable economic policy. [...]

An ATR official told The Fix that his group doesn't outright oppose the idea but has "strong reservations" — particularly about a Value Added Tax that they think is too easy to raise.

"We are very, very opposed to that, so we would be very uncomfortable with transitioning business taxes over to a VAT," said ATR tax policy director Ryan Ellis. "It's pretty easy to raise that rate of the VAT when you're in a budget crunch."

Likewise, FreedomWorks legislative counsel Dean Clancy wrote a blog post last week hitting the plan for its practicality — or lack thereof. Clancy noted that Cain wants to eliminate the income tax too, which Clancy argues would require a 25 percent sales tax to maintain current revenue levels.

Of course, this little mini-freakout shouldn't be too surprising. Fear of higher taxes is pretty much the central animating force of modern conservatism. I mean, I'd bet my bottom dollar that if Herman Cain came out tomorrow and proposed completely doing away with all federal taxes except for a flat income tax of 4 percent, he'd still get pushback from these very same groups ... because they'd be worried that he'd eventually raise taxes.

1:38 PM PT: David Weigel has **more from Grover Norquist** on his objections to 9-9.

"Because there is a transition period of some length with any tax phase-in, the fear that people have about the sales tax is that, at some point, Democrats win the House or the Presidency, and you get stuck with both the income tax and the new sales tax. Under 9-9-9 they deliberately set up a time period where you have three taxes. They say they are doing what some of us have feared could happen. Even if you say the income tax is going away, there's a chance of getting both."

Second problem: The sales tax has proven to be a "political loser" when torn apart in the heat of a campaign. Third problem: "Let's say you're 20 years old. You don't care what tax you pay -- you haven't paid any yet. But if I'm 65, I've spent my whole life paying income taxes. I'm about to stop paying them. What's the benefit to me if you bring on a sales tax? Thanks -- you've just made ever retired person's pension 33 percent less valuable."