Club for Growth chief backs '9-9-9'

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By Will Rahn - The Daily Caller

Republican presidential candidate businessman Herman Cain speaks during a "Faith and Freedom" rally at Ohio Christian University on Thursday, Oct. 13, 2011 in Circlevile.

Chris Chocola, the president of the influential conservative group The Club for Growth, rebuffed critics of Herman Cain's "9-9-9" tax plan on Friday. The Club's embrace of Cain's signature economic proposal comes after days of increased scrutiny of the plan, prompted by Cain's sudden post-debate emergence as a GOP presidential front-runner.

Americans for Tax Reform chief <u>Grover Norquist</u> has been critical of the "9-9-9" plan. Other conservative and libertarian economists have expressed worry that it would impose a new national sales tax without abolishing federal <u>income</u> taxes.

Chocola argues the plan's skeptics just don't get it. "Those who argue against the sales tax component of '9-9-9' really miss the mark," he said in a statement.

He continued: "Of course a future Congress could raise taxes above the 9% levels, but under our current monstrosity of a tax system, Congress already can raise taxes at any time and often has ... Herman Cain's proposal might not be the perfect plan, but it is a truly revolutionary tax reform that would amount to a massive job creating tax cut on investments, savings, and income."

Critics of Cain's plan say it would create a new revenue stream for the government in the form of a value-added tax, or VAT. The Cato Institute's Dan Mitchell, an economist who is generally supportive of the ideas in "9-9-9," <u>argues</u> that it contains a "hidden" VAT which is essentially another income tax.

National Review's Josh Barro <u>calculates</u> that the VAT component of the 9-9-9 plan "could raise around \$600 billion a year" for the government, which would explain Cain's insistence that his proposal would not sharply reduce government revenues despite repealing payroll taxes.

Despite these and other criticisms, Chocola insisted that Cain did the national tax-reform debate a service just by putting something specific on the table.

"Instead of tearing down ideas that would create <u>economic growth</u> and jobs, the other Republican presidential candidates should produce their own plans to achieve a flatter and more growth-oriented tax code," he said. "The American people deserve nothing less."