

## Herman Cain's Sudden Surge Powered by 9-9-9 Plan

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If there's a policy star in the Republican presidential primary it may be Herman Cain's 9-9-9 tax overhaul plan.

It has helped fuel the Georgia businessman's sudden surge in the GOP race. But behind the catchy slogan is a reality: Experts say it will raise taxes on some Americans.

"The 9-9-9 plan that I have proposed is simple, transparent, efficient, fair and neutral," Cain, the former Godfather's Pizza chief executive, declared at Tuesday night's Republican presidential debate in New Hampshire, where his newfound higher status in the Republican primary race was on full display

Better-known Republicans seeking the White House relentlessly assailed both Cain and the centerpiece of his unlikely presidential bid, mocking it as simplistic and politically unworkable.

"I thought it was the price of a pizza when I first heard about it," joked former Utah Gov. Jon Huntsman.

Minnesota Rep. Michele Bachmann dismissed it as a jobs plan, not a tax plan.

"When you take the 9-9-9 plan and turn it upside down, I think the devil's in the details," she quipped.

Still, 9-9-9 has placed the charismatic Cain in the thick of the primary battle. Now the trick will be staying there. On Wednesday, Cain pledged to ramp up his ground game in the early primary states of New Hampshire and Iowa, an effort to capitalize on his momentum.

The plan would scrap the current tax code and replace it with a 9 percent tax on personal income and corporations as well as a new 9 percent national sales tax.

Cain argues the 9-9-9 proposal would expand the tax base so more Americans are contributing to government coffers while at the same time getting government out of the business of picking winners and losers through the tax code.

The final phase of Cain's plan would move to a so-called fair tax, eliminating the income and corporate income taxes in favor of a national sales tax.

"It's bold," Jeanne Seaver, co-founder of the Savannah, Ga., tea party. "I like that you know where you stand with his plan."

But while some are swayed by the plan's simplicity - it can fit on a bumper sticker compared with Mitt Romney's 160-page plan - critics on the left say it would place a greater tax burden on middle- and low-income Americans by stripping away deductions that currently complicate the federal tax code.

Most low-income families currently pay less than 9 percent of their income in federal taxes. Nearly half of all U.S. households - mostly low- and middle-income families - pay no federal income taxes, according to the Joint Committee on Taxation.

Roberton Williams, senior fellow at the nonpartisan Urban-Brookings Tax Policy Center, said under Cain's plan taxes would rise on the elderly and the poorest Americans who earn less than \$20,000 a year.

"The top end earners would see a big tax cut and the bottom end would see a big tax increase," Williams said. "Where in the middle it would break even we don't know because we don't have the details of the plan."

The proposal would eliminate the capital gains as well as payroll taxes that fund Social Security and Medicare. Corporations wouldn't pay a tax on dividends and the 9-9-9 plan would lower the corporate income tax from 35 percent to 9 percent.

Cain argued Tuesday night that low-income workers would pay less because he would eliminate payroll taxes, which total 15.3 percent of wages.

Kevin Hassett, an economist and senior fellow at the conservative American Enterprise Institute, praised Cain's plan as moving toward a flat tax.

"If someone's going to attack the 9-9-9 plan I would say they should be careful because you are talking about the Republican holy grail," Hassett said,

The plan, Hassett said, hews to the conservative orthodoxy of "taxing consumption rather than success."

But conservative economists are not unanimous in their support.

But some say they're troubled by the creation of a national sales tax that would give politicians in Washington a new stream of money to meddle with.

"It's very good in theory but very troubling in practice," said Daniel Mitchell, an economist and senior fellow at the Cato Institute. "I don't trust politicians with a new source of revenue."

Still, politically, Cain seems to have struck gold.

The 9-9-9 plan is seemingly easy to understand, with a memorable slogan. It reinforces his image as a political outsider willing to brush aside the Washington bureaucracy and start fresh. And its red meat to the anti-tax tea party crowd where Cain has drawn strong support.

"The best politicians are those that are able to discuss complex policy matters in fairly direct terms," said former Republican strategist Dan Schnur, who now runs a political think tank at the University of Southern California.

In the past, the 65-year-old Cain has compared the tax code to the "21st century version of slavery," a particularly powerful analogy from the lone African-American in the Republican contest.

Still, there are also political trouble spots.

Cain has been fixated on the 9-9-9 plan and to be a viable contender for the GOP nomination he must show a mastery of other issues.

The plan would also implement a new national sales tax, which draws little enthusiasm among the GOP's conservative base.

Former Pennsylvania Sen. Rick Santorum scored points at Wednesday's debate when he noted that the proposal would raise the cost of many things citizens purchase every day.

"How many people here are for a sales tax in New Hampshire?" Santorum asked the audience.

Receiving almost no response he turned back to Cain, "there you go, Herman. That's how many votes you'll get in New Hampshire."

Maybe a few more than that. A Wall Street Journal/NBC News poll of Republican primary voters released Wednesday found Romney and Cain in a dead heat, while Perry dropped to 16 percent. Cain was the first choice of 27 percent of those surveyed, while Romney held firm at 23 percent. The poll, which was taken Oct. 6-10, had a margin of error of 5.35 percent.

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Steve Peoples contributed to this report from Concord, N.H.