

Are Romney and Ryan Linked Like the Rolls Royce Logo?

The tax news about Mitt Romney and Paul Ryan is mixed. On the one hand, Mr. Ryan's flamboyant entry into the Vice Presidential race promises policy-based debates. Members of the conservative wing of the Republican party seem pleased.

Many Democrats also seem pleased since they think most Democrats are shocked by Mr. Ryan's budget and tax proposals. Democrats also seem pleased that the more moderate side of the Republican party is not pleased with Mr. Ryan. Mr. Obama's campaign advisers seem *very* pleased.

Meantime, the debate over Mr. Romney's tax returns seems never-ending. Everyone keeps clamoring for them. The more he resists, the more the pundits want them. His "but I paid 13%" hasn't made it any better. See [Like Mitt Romney, Usain Bolt Wants To Pay Only 13%](#).

Mr. Ryan believes we should simplify the tax code, something he considers more important than reducing rates on the wealthy (or on anyone else for that matter). Ryan's strategy is to eliminate tax deductions and credits while replacing the current six-rate income tax structure with two rates of 10 and 25 percent. Some people, such as [Chris Edwards](#) of the Cato Institute [say the result would be less tax paperwork, more jobs and more investment](#).

It is hard to deny that this is a tax cut for the wealthy. However, as Cato's Mr. Edwards points out, Ryan's lower 25 percent rate was not picked out of thin air. IRS data shows that taxpayers with the highest incomes currently pay an average of about 25 percent in income taxes. Middle-income taxpayers pay an average of about 10 percent.

Ryan's two-tier rate structure of 10 and 25 percent, it is said, should collect about the same amount from the same income groups as the current tax code. Of course, it is not simple to purge the tax code of deductions and credits. But simpler truly is better in tax administration.

Mr. Romney's most explicit [recent statement](#) was no panacea: "I did go back and look at my taxes and over the past 10 years I never paid less than 13 percent." Because he did not particularize his comment to **federal income** taxes, some have commented that he could include things like property taxes, state income

taxes, and even sales taxes in his 13%. If so, the figure would be that much more revealing.

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