



Explaining Pro-Growth Tax Reform to the Senate Budget Committee

[Daniel J. Mitchell](#)

What do the [flat tax](#) and [national sales tax](#) (and even the [value-added tax](#)) have in common?

As I explain in this Senate Budget Committee testimony, they are all single-rate, consumption-base, loophole-free tax systems that fulfill the key principles of good tax policy.

But good theory doesn't operate in a vacuum, which is why I make several additional points.



1. [Echoing George Will](#), something like a VAT should never be implemented unless the income tax is completely abolished.
2. It's impossible to have good tax policy if [government is too big](#).
3. A proper definition of taxable income is necessary to [understand what's a loophole and what's not](#).

4. Tax revenues already are projected to significantly increase over the next few decades because of “real bracket creep,” meaning than a [rising burden of spending accounts for more than 100 percent of America’s long-run fiscal challenge](#).

5. If you want the rich to pay more tax, [keep tax rates reasonable](#).

On a personal note, I’m irked that my jacket is riding up on my shoulders. I’ve been trained to sit on the tail of my jacket when doing TV interviews, and I should have remembered that lesson during my testimony.

But at least I’m wearing my [Bulldawg](#) tie, so that compensates.