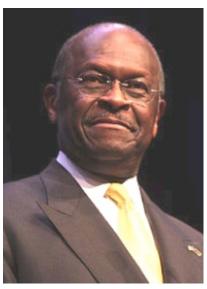
New American

Written by <u>Charles Scaliger</u> on October 25, 2011



Cain's 9-9-9: Same Recipe, Different Topping

Faced with widespread criticism of his oncevaunted "9-9-9" tax scheme, former pizza maker Herman Cain has changed a few ingredients. 9-9-9, readers will recall, was an attempt to simplify America's Byzantine tax system by replacing the current system of graduated income and corporate taxes with three flat taxes, all assessed at 9 percent: a personal income tax, a corporate income tax, and a national sales tax. Social Security and Medicare taxes would be eliminated, and a bewildering array of deductions and schedules would be abolished. Today's misnamed "progressive" tax system would be replaced by a simple, straightforward levy that would allegedly reduce both the time and expense of paying taxes for both individuals and corporations. Such a system — especially in comparison with rival Rick Perry's newly-announced 20 percent flat tax, might seem like a beleaguered taxpaying public's deliverance.



But others have done the math and concluded that, for many Americans, Cain's new tax would constitute a tax increase. The Tax Policy Center, a non-partisan Washington think tank, claims that, far from relieving the tax burden on America's middle class, Cain's scheme would raise taxes on roughly 80 percent of American families.

Herman Cain has protested vigorously, but, in a tacit acknowledgement that his critics have a point, has modified his plan such that those living below the poverty line will be allowed exemptions — the so-called "9-0-9" plan (a curious choice of nomenclature, given that the middle "9" in the original plan represented corporate, not personal, income tax rates).

Herman Cain, as the latest showman to be elevated by the media to the status of "acceptable fringe candidate" (having succeeded Michele Bachman and Rick Perry as anointed right-wing alternatives to you-know who), is probably nearing the end of his 15 minutes of fame. But his tax cut proposals, like those of his posturing rivals, must be taken for what they are: snake-oil solutions for a problem that runs much deeper than a jury-rigged tax code. The real problem, as only candidate Ron Paul has dared to point out, is Big Government. Taxes, as the price we pay for government, must sooner or later be levied, and the more government we have, the more taxes we must pay, one way or another, in the short or long term. As it is, we have conveniently foisted payment for tens of trillions of dollars' worth of government activities onto succeeding generations. The way to solve the problem is to cut government before cutting taxes.

For several generations now, Democrats and Republicans alike have increased the size of the federal



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government, with Republicans occasionally raising feeble protests and championing tax cuts. But without corresponding cuts in government spending, tax cuts have only the effect of raising the deficit — a fact that Democrats can then gleefully point to in the next electoral cycle.

In this presidential campaign, we are seeing this tried and true trick again, with Republicans jostling to advance the most innovative tax cut proposal, while shying away from any meaningful cuts in government cost (again, Ron Paul is the notable exception). In fine, Herman Cain's proposal is the same old recipe, except for a different topping.



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