



Written by [Jack Kenny](#) on September 10, 2012

Romney, Ryan Mum on Tax Loopholes

In separate TV interviews Sunday, both Mitt Romney and Paul Ryan refused to identify the tax loopholes and deductions they would eliminate in reforming the nation's tax code. The lack of specifics enables them to avoid political landmines, since each tax break has a constituency eager to protect it. But it also opens the Republican ticket to charges by Democrats and media pundits that theirs is a "secret plan" that will increase the tax burden of middle-class Americans.



"Don't voters have a right to know which loopholes you're going to go after?" ABC's George Stephanopoulos asked Ryan on [This Week](#). The vice presidential candidate said the specifics would have to be worked out by a new administration in negotiations with Congress.

"So Mitt Romney and I, based on our experience, think the best way to do this is to show the framework, show the outlines of these plans, and then to work with Congress to do this. That's how you get things done."

"Isn't that a secret plan?" Stephanopoulos asked.

"No, no. What we don't want is a secret plan. What we don't want to do is cut some backroom deal like ObamaCare, and then hatch it to the country," Ryan said. A seven-term Republican representative from Wisconsin and chairman of the House Budget Committee, Ryan insisted that the time and place for discussion and debate over loopholes and deductions is next year in Congress.

"But that is a debate we shouldn't cut in a back room, shouldn't hatch a secret plan like ObamaCare," he said. "We should do it out in the public view where the public can participate."

"That's exactly what I'm suggesting," Stephanopoulos persisted, "having it in public before the election so voters can have that information before they make up their minds."

"We think the best way to get — look, I've been in Congress a number of years," Ryan said. "I've been on the Ways and Means Committee for 12 years. And we think the best way to do this is to get this framework in place, and then negotiate, work with Democrats, work with people across the aisle, have these kinds of hearings, have this conversation to get this objective."

The interview at that point moved on to other topics, without specifics to back up Ryan's claim that the loopholes he and Romney want to eliminate are those benefiting high-income earners and would result in lower tax rates for middle-income Americans.

"Now the question is, not necessarily what loopholes go, but who gets them," Ryan said. "High-income earners use most of the loopholes. That means they can shelter their income from taxation. But if you take those loopholes, those tax shelters away from high-income earners, more of their income is subject to taxation. And that allows us to lower tax rates on everybody — small businesses, families, economic growth."

Romney said the same in Sunday's *Meet the Press* [interview](#) with NBC's David Gregory. "We're not



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going to have high income people pay less of the tax burden than they pay today,” Romney said. “That’s not what’s going to happen. I do want to bring taxes down for middle-income people. In particular, I want middle income Americans not to have to pay taxes on interest and dividends and capital gains.”

The Obama campaign appears more than happy to fill in the blanks. The president claimed in his acceptance speech at the Democratic convention last Thursday that tax cuts Romney has proposed would benefit those with the highest incomes, while increasing taxes paid by middle-class Americans by an average \$2,000 per year. And talk of closing loopholes and tax shelters will likely fuel further commentary by the Democrats about Romney’s investments in the Cayman Islands and in Swiss bank accounts.

Democrats have charged Romney with secrecy over his own taxes, calling on him to release several years of his tax returns. The former Massachusetts governor and principal of Bain Capital has released his returns for 2010 and has said he will do the same for his 2011 taxes. He has refused to release any tax records prior to 2010. Romney has said he has never paid less than 13 percent of his income in federal taxes during the past decade.

But voters this fall will be more concerned about their own taxes than Romney’s and that’s what makes talk of eliminating deductions and closing loopholes a double-edged sword. While many Americans of modest means might like to see tax shelters used by the wealthy closed, they might fear the loss of deductions for things such as home mortgage payments, state and local taxes, and charitable contributions. Behind each loophole stands a small army of defenders, wrote Annie Lowrey and David Kocieniewski in Monday’s [New York Times](#). And some loophole closings, they noted, could have some unintended economic as well as political consequences:

Eliminate the home-mortgage interest deduction (annual cost: \$99 billion and rising) and risk that housing prices will plummet just as that sector of the economy is starting to recover. End the deduction for charitable giving (annual cost: \$53 billion) and attract the wrath of every hospital chief and museum director. Touch the protections for investment income (annual cost: more than \$100 billion) and anger everyone from Wall Street executives to retirees.

So where will Romney and Ryan be looking for the additional revenue they will need to offset the further tax cuts they propose, increase defense spending and arrive at the balanced budget that Romney said in his *Meet the Press* interview he will achieve by the end of his second term? In tax reform as in other legislation, the devil may be in the details but elections can be lost in the question marks.

Photo:

Republican presidential candidate Mitt Romney, left, and his vice presidential running mate Rep. Paul Ryan (R-Wis.) arrive at a campaign rally, August 12, 2012 in Mooresville, N.C.: AP

Images



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