

**LIBERTARIAN U.S. SENATE
CANDIDATE CALLS FAIR TAX A SHAM;
CHALLENGES SAXBY CHAMBLISS
TO A DEBATE**

Atlanta, December 27, 2007 – Allen Buckley, who is seeking the nomination of the Libertarian Party of Georgia for the 2008 U.S. Senate seat currently held by Saxby Chambliss, has called the Fair Tax a sham, and challenged Saxby Chambliss to a debate with respect to the matter.

Mr. Chambliss is a co-sponsor of the Fair Tax bill. Republican presidential candidate Mike Huckabee has made the Fair Tax proposal a major pillar of his campaign platform.

The Fair Tax bill provides for a “tax-exclusive” rate of 29.9 percent, meaning that a good or service with a retail price of \$1 would cost \$1.30 with the Fair Tax. In 2000, a memo written by Lindy Paull, then the Chief of Staff of the Joint Committee on Taxation (an arm of the Congress) reported that the “revenue neutral” tax rate under the predecessor bill to the current Fair Tax bill would need to be approximately double the rate in the Fair Tax bill for the first five years after enactment, and close to double thereafter. Substantively, there is virtually no difference between the predecessor bill and the current bill. In 2005, the President’s Advisory Panel on Federal Tax Reform reached a similar conclusion.

A direct quote from page 217 of the 2005 Report of the President’s Advisory Panel on Federal Tax Reform is as follows:

In their submission to the Panel, proponents of the Fair Tax claimed that a 30 percent tax exclusive sales tax rate would be sufficient not only to replace the federal income tax, but also to replace all payroll taxes and estate and gift taxes and fund a universal cash grant. In contrast, the Treasury Department concluded that using the retail sales tax to replace only the income tax and provide a cash grant would require at least a 34 percent tax-exclusive rate.

For the 2004 fiscal year, personal income tax produced 35 percent of federal revenue and the corporate income tax produced 8 percent of federal

revenue. Accordingly, based on the Advisory Panel's conclusion, for the 2004 fiscal year, a 34 percent tax-exclusive rate would have produced 43 percent of total federal revenue.

Economists compensated by Fair Tax advocates to justify the revenue-neutrality of the 29.9 percent rate have opined that the Fair Tax bill rate would not be "revenue neutral."

If the government studies are accurate, then federal spending would need to be cut by at least 40 percent for the annual deficits not to increase. While in the Senate, Mr. Chambliss has never voted for a budget with a net spending decrease. Nor has he proposed any of the drastic spending cuts that would be necessary for the Fair Tax to work from a financial perspective.

The financial leaders of the U.S. are telling members of Congress that the U.S. has substantial financial problems. In testimony before the Senate Budget Committee on January 11, 2002, Government Accountability Office (GAO) Comptroller General David Walker said: "We are on an imprudent and unsustainable long-term fiscal path, and while the short-term deficits have improved in recent years, the long term is getting worse every second of every minute of every day and the time for action is now."

In 2006, Buckley wrote and self-published a book titled "Why the Fair Tax is a Sham." He has also written a few articles concerning the Fair Tax proposal.

Buckley said: "While the current tax system is a complex mess, the Fair Tax proposal is not the answer. I hereby challenge Senator Chambliss to a thorough, evidence-oriented debate on the Fair Tax bill. If he desires, John Linder can join Mr. Chambliss. The people of Georgia want to know the truth about the financial problems of the country and about the Fair Tax. Our people need to know how hard a revenue-neutral Fair Tax would hit retirees and the middle class. As a co-sponsor of the proposed legislation, Mr. Chambliss should be able and willing to debate the matter."

Mr. Buckley's web site is www.buckleyforsenate.com. Mr. Buckley can be reached at (404) 962-1042.