

Talking Points for Rand Paul Office September 2017

Synopsis for Rand Paul Questions

Rand Paul has stated he wants government to be as small as possible, so small you can't see it. During the Presidential primaries in 2015-2016, Rand Paul proposed cutting \$2 trillion in taxes over 10 years and cutting government programs to balance the budget. His penny proposal was to cut 1% of the federal budget each year for the next 5 years in order to bring federal costs in line with revenue. He also proposed a flat 14.5% tax on everyone, including corporations and eliminating the IRS. He would also eliminate the estate, gift, dividends and capital gains taxes, along with most other taxes, including payroll taxes. Paul claims this would drive the US economy like it was on steroids. However, his speeches indicate it would only produce a 10% growth in GDP over 10 years (1% GDP growth/yr) and create 1.4 million jobs (140,000 jobs/yr) over 10 years. Paul has signed the Grover Norquist pledge not to raise taxes and the Contract from America designed to restrict any tax hike to a 2/3rds majority vote. In numerous instances Paul seems to ignore facts that conflict with his beliefs about the economy, government and what the roles of each is in our society. This leads to the obvious questions.

Questions:

1. You wish the Federal Government to be far smaller and do far less for society than it does today. The federal government created land grant Universities in every state, provided financial backing of the transcontinental Railroad, funded dams and rural electrical grids, invested in commercial aviation, built airports, seaports, the interstate highway, invested in space travel and exploration, NIH funding that has produced both the biotechnology and genomics medical revolutions, provided free college education for veterans, Social Security for elderly, greater civil and voting rights for blacks. ***Which of these aspects of government investment in society bothers you most? Do you think less government investment and involvement in our society would have resulted in greater US economic growth over the last 100-150 years? Why?***
2. Your proposed 14.5% flat tax rate across the board on all incomes above \$50,000 for a family of 4, eliminating the payroll tax, capital gains, dividends, estate, gift, telephone, and most other taxes. This would be a huge windfall for some of the wealthiest people in America who would see their taxes fall by 10-15%. ***Do you believe that wealth stagnation in America and wealth sequestration by a small minority of Americans would be improved or made worse by such a plan? Explain how your tax policy would address or solve the "unequal benefits/rewards" in our society through a "taxation" policy that ignores the grossly unequal benefits/rewards endemic to how our American economy works?***
3. The growth to over \$2.6 trillion in untaxed offshore corporate profits is a direct result of changing the tax law so that unrepatriated business profits will not be taxed unless they are repatriated back to the US. ***If you really want to tax those profits and use that money for deficit reduction or infrastructure investment, why not simply eliminate the tax loophole that produced this situation in the first place?***
4. You have suggested that cutting taxes would grow the economy and jobs. However, the economy will never grow more than taxes are reduced, and historically higher income job growth has less of a relationship to tax cuts than infrastructure investments. ***What specific steps have you taken to improve better paying jobs in the United States through government investments in education, infrastructure, research and support for a livable wage?***
5. ***Do you understand the difference between "simplified" and "overly simplistic" solutions to taxation? Please explain the difference.***