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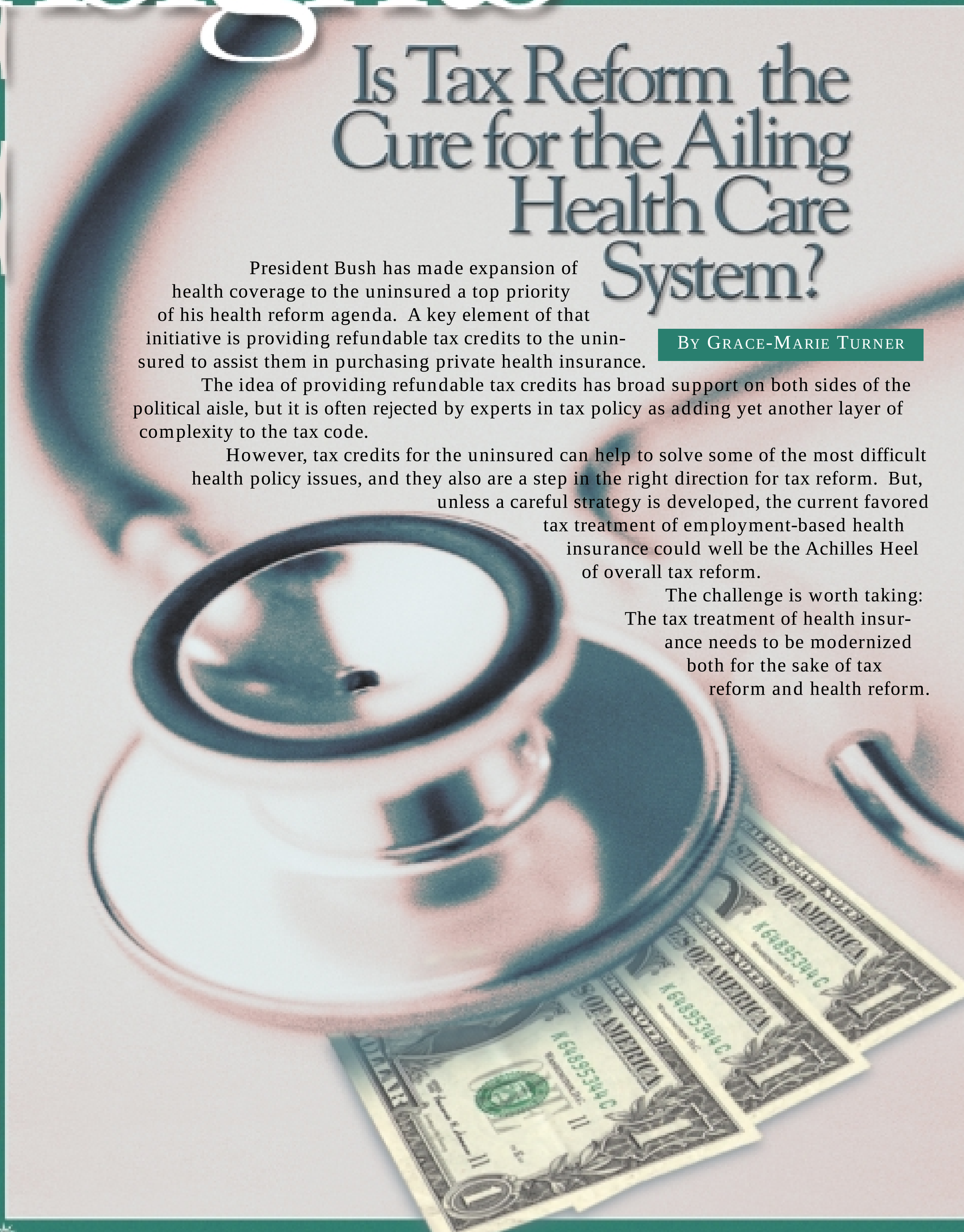


Is Tax Reform the Cure for the Ailing Health Care System?

By Grace-Marie Turner

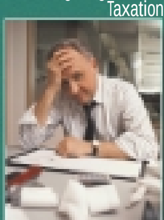
President Bush has made expansion of health coverage to the uninsured a top priority of his health reform agenda. A key element of that initiative is providing refundable tax credits to the uninsured to assist them in purchasing private health insurance.

The idea of providing refundable tax credits has broad support on both sides of the political aisle, but it is often rejected by experts in tax policy as adding yet another layer of complexity to the tax code.

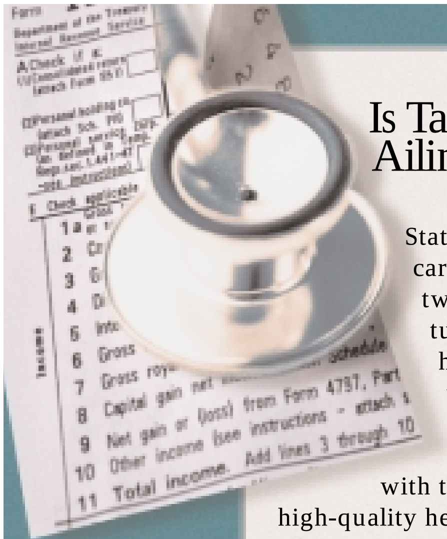
However, tax credits for the uninsured can help to solve some of the most difficult health policy issues, and they also are a step in the right direction for tax reform. But, unless a careful strategy is developed, the current favored tax treatment of employment-based health insurance could well be the Achilles Heel of overall tax reform.

The challenge is worth taking: The tax treatment of health insurance needs to be modernized both for the sake of tax reform and health reform.

INSIDE:
Navigating Internet Taxation



ALSO:
Will the Earnings Limit Ever End?



Is Tax Reform the Cure for the Ailing Health Care System?

It is no coincidence that the United States offers the highest-quality health care in the world and that, during the twentieth century, it repeatedly has turned its back on government-run health systems. The challenge for the twenty-first century is to modernize policy decisions made nearly 60 years ago that are increasingly out of step with today's economy in order to make high-quality health care accessible and affordable for all Americans. The key is tax reform.

Today, the tax code provides a generous yet highly invisible subsidy for the health insurance that more than 160 million Americans receive through the workplace. This tax benefit is worth more than $130 billion in tax savings to working Americans and their families, a benefit that is much more valuable than the mortgage interest deduction.

Yet this subsidy leaves millions of people behind, especially those at the lower end of the income scale. Further, the subsidy is invisible to those who do receive it, causing a cascade of distortions in the marketplace for health insurance.

The political battles over a new tax system could run into a brick wall unless strategies are developed for alternatives subsidies and people are educated about these other options. Because people are not well-informed about how the current tax subsidy contributes to their health insurance, they are particularly susceptible to scare tactics by opponents of tax reform. This is not an idle threat: Opponents already have signaled they will use the health care issue to try to derail tax reform.

Reforming the tax treatment of health insurance is essential to achieve a more efficient and equitable market for medical services and health insurance in the United States. Correcting the tax distortion would lower the costs of health insurance coverage in both the public and private sectors and thereby allow broader access to quality health care.

The history

Early in the 20th Century, the link between health insurance and the workplace began to be established in the United States. During and after World War II, however, employment-based health insurance became more widespread, and the link became much stronger.

Factories were pushed to meet wartime production schedules. Competition for good workers was intense but was hampered by wartime wage controls. Employers found they could compete for scarce workers and boost compensation without running afoul of these controls by offering health insurance as a benefit in lieu of cash wages. In 1943, the Internal Revenue Service ruled that employers' contributions to group health insurance would not count as taxable income for employees.

That ruling, a later codification of it by Congress in 1954, rising tax rates on middle class incomes, and the rising demand for health insurance all combined to create a strong incentive for health insurance to be obtained through the workplace.

The generous tax preference afforded job-based health insurance is a historical accident that has increased automatically over the decades without legislative authorization or appropriations. It has percolated through the economy for nearly 60 years to become the foundation for a system that provides subsidies and therefore strong incentives for working and retired Americans and their families to get health insurance through the workplace.

But this form of subsidizing health insurance is increasingly out of step with our rapidly changing economy and workforce. When people change or lose their jobs, they also lose their health insurance. In addition, the current subsidies for job-based health insurance are very regressive: Current tax law provides generous benefits to those who have higher incomes and receive health insurance through the workplace. Yet it offers little or no assistance to those at the lower end of the income scale. A taxpayer earning $100,000 a year or more gets an annual subsidy worth $2,638 while one earning $15,000 gets only $79 a year in assistance toward the purchase of health insurance.

As long as Americans remain under the mistaken illusion that they are getting "free" or heavily subsidized health insurance at work, they will be shielded from the full cost of their health care consumption decisions. They will not understand that their cash compensation is lower because of high health insurance costs. And they will not see the generous tax break they are getting for their job-based health coverage.

Making reform a reality

There is a solution in a system of reforms advanced by the Health Policy Consensus Group and supported by political leaders on both sides of the aisle. These reforms could provide a tax cut to individuals, targeted to those who currently do not have health insurance. This would give individuals more choice as to where and how they obtain medical care and could create new incentives for a competitive, consumer-driven market for health insurance and medical services.

Coupling tax reform with free-market health reform could finally make a win-win political scenario possible.

Tax credits

Even with the generous $130 billion subsidy for job-based health insurance, more than 40 million people are without coverage at some point during the year because they don't receive or can't afford the health insurance offered by their employers.

Therefore, as an interim measure to move toward greater fairness, the Health Policy Consensus Group has advocated providing tax credits to individuals for the purchase of private health coverage. It may seem odd to discuss the merits of tax credits in the context of a debate over a simpler, fairer, flatter tax system. But in fact, as will be argued below, enacting tax credits for private health insurance actually puts in place a system of subsidies that will make the transition to overall tax reform much easier.

President Bush, in embracing the concept of tax credits as the centerpiece of his initiative to assist the uninsured, would provide a tax credit worth $1,000 for individuals and $2,000 for families to cover up to 90 percent of the cost of a policy. Others, like House Majority Leader Dick Armey, would provide even more generous credits of $1,000 for individuals and up to $3,500 for families.

Such credits could be turned into direct subsidies or an expansion of the basic personal exemption in a simplified tax system. This transition would be much more difficult when the subsidy for private health insurance is expressed as a deduction or exclusion from income of the cost of the premium. In the current system, the amount of the subsidy varies with a person's tax bracket and with how much he or she spends on health coverage.

In making a direct subsidy through a credit, the expenditure can move to the spending side of the budget where it belongs rather than being run through the tax code with all of its complexity and confusion. The key to this new system is that individuals know they have a specific subsidy for health insurance qualified in dollars rather than in an open entitlement to benefits.

In the new system, consumers, and not government bureaucrats, politicians, or human resource directors, would decide how the money will be spent.

More than 80 percent of the uninsured are working Americans or their dependents; they either can't afford to purchase health coverage on their own with after-tax dollars or they can't afford to pay their share of the premium costs for health insurance their employers may offer. Tax credits would provide millions of Americans and their families the boost they need to purchase their own health coverage.

Tax credits also would provide a measure of equity that is missing from the current system. Right now, two families in otherwise identical income situations can be treated very differently by the tax code. If one has access to health insurance at work, their family can get a generous tax break. If the other does not have the option of job-based health coverage, they will get little if any tax benefit toward the purchase of health coverage.

The tax credit would be a direct subtraction from taxes owed. The Consensus Group also proposes that the tax credit be refundable toward the purchase of health insurance. That means that if taxpayers owe less than the credit for which they are eligible, they can claim the difference as "refundable" subsidy.

It should be emphasized the tax credits are not the ultimate solution. They are an incremental step toward a more equitable system of subsidies that would help eliminate many of the current distortions. The new tax credit subsidies would be visible to the recipients, empowering them to make decisions about how to obtain the best value for their health insurance dollar in a competitive marketplace.

Because more than four-fifths of Americans get their health coverage either through the workplace or through government programs, the market for individual health insurance is not nearly as vibrant as it could or should be. Targeting subsidies to individuals to make their own health care arrangements would inject new vitality into the market for individually-purchased health insurance and provide incentives for companies to offer a much broader range of more affordable insurance products.

Time for change

The changes that are needed in the health sector should come not through the collective solutions that have been attempted again and again in this century to expand government control of the health system. Rather, they should come through solutions that focus on individual authority, competition, diversity, and freedom of choice that will drive the rest of the economy in the twenty—first century.

The goal is to expand freedom by limiting the role of government in the health sector, which is—by count of the number of pages of regulation governing it—the most heavily regulated sector of the U.S. economy. In order to restore competition and freedom for patients and doctors, we must begin to move away from a system that would bring more and more Americans under the authority of politicians and government regulators in directing health care. Limiting the role of government will expand freedom and promote individual responsibility, competition, and diversity.

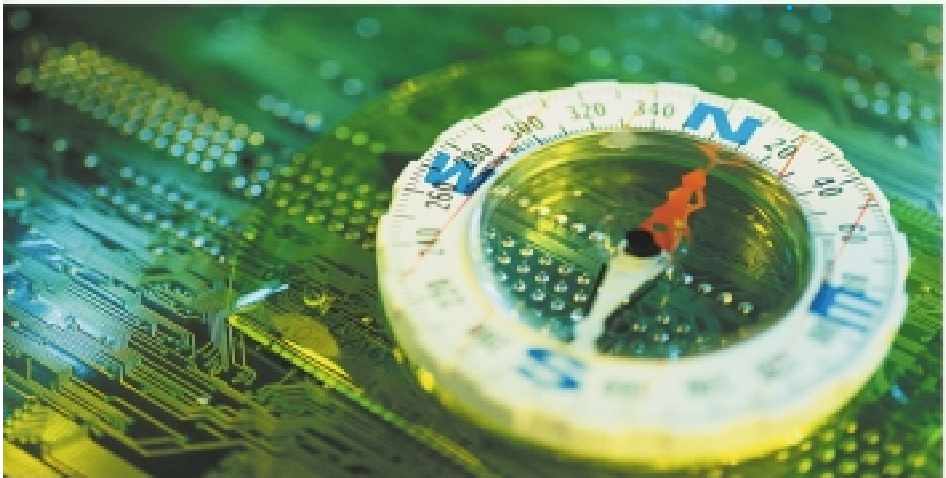
Implementing new subsidies for health insurance now through tax credits would make a transition to a new system easier in the long run. As part of a tax reform initiative, explicit, capped subsidies for health insurance could easily be converted into credits or an expanded personal exemption, available only to those who use the funds to purchase health insurance.

Ultimately, the road to health care reform will run through tax reform. The invisible and regressive tax break for health insurance will be brought to light when the country debates a major overhaul of the tax code. As a result, the route to the health care reform that has eluded policymakers for decades may very well be through a simpler, fairer, and flatter tax system. IPI

Grace-Marie Turner is president of the Galen Institute, a not-for-profit health and tax policy research organization based in Alexandria, VA.

What You Need to Know to Navigate the "Internet Tax" Debate

The debate over Internet taxation remains an unresolved dilemma of the new economy. The issues involved are much more fundamental that whether or how to tax e-commerce . Questions arise: Do we want to tax access to information? Do we want to expand the role of the sales tax? Does the constitution allow some of the proposals currently under consideration? It is easy for one to become lost in the rhetoric and confused by the numerous pieces of legislation currently under consideration.



For example, several state-oriented organizations such as the National Governors' Association, the National Conference of State Legislatures and the U.S. Conference of Mayors contend that as e-commerce grows, states stand to lose a significant amount of revenue. In response, they are promoting a new "simplified" state sales tax system and other changes to facilitate state collections of e-commerce. While their efforts have led to a debate focused on taxing Internet sales, the issue is much more complicated and multifaceted.

To navigate through this complex issue, the IPI Center for Technology Freedom has published a concise analysis of the various proposals and arguments in a recent issue of *IPI Ideas* titled, *Navigating the Internet Tax Debate.* The following is a portion of that publication.

Access Taxes

An access tax imposes a tax on the fee a customer pays an Internet service provider, such as America Online. Although Congress has imposed a moratorium on new access taxes, several states already had such taxes in place at the time the legislation was passed. However, there is a growing consensus that taxing access to the Internet is a tax on information, and even states that had imposed this tax are moving away from it. As a result, a permanent extension of the moratorium would have little impact on state tax policies or revenues.

Without an extension of the current moratorium, or a move to make the moratorium permanent, states will be free to return to taxing Internet access, effectively raising the costs for access to the Internet for all income levels. A tax on access would most inhibit Internet use by those least able to pay.

Sales Taxes

Contrary to popular belief, the current moratorium does not affect the ability of states to collect sales and use taxes. The moratorium prohibits states from imposing multiple and discriminatory taxes on electronic commerce and from imposing taxes on Internet access. If Congress does not act, the situation will revert to where it was years ago with states being free to attempt to levy discriminatory taxes on the on-line delivery of goods, such as "newspapers," which are explicitly exempt from sales and use tax if delivered over-the-counter

Currently, business-to-consumer (B2C) online sales that normally would be subject to a sales tax are still relatively small, only $17.3 billion (1999) according to Jupiter Research, in a $6 trillion economy. And the recent "dot com" shakeout has raised doubts that online B2C sales will grow rapidly in the near future. Although some types of e-commerce have continued to grow, primarily airline ticket purchases ($5 billion in 1999) and business-to-business (B2B) sales, these transactions are seldom subject to a sales tax. As a result, simplifying state sales tax methods would do little to increase state coffers, now or in the foreseeable future.

Telecommunications Taxes

Telecommunication taxes of all sorts play a fundamental role in the cost of access to the Internet. Electronic commerce highlights the complexity and uncertainty of state and local retail transactions taxes, as well as the problems with the web of taxes placed on telecommunications.

Taxes imposed in this area are the most complex, multi-layered and unclear of any transactions taxes. Many of these taxes are imposed directly on the users of telecommunications, or they are placed on them indirectly by higher fees or per minute charges for use of telecommunications products. Electronic commerce suffers the consequences of excessive and complex telecommunications taxes. No simplification of taxation of electronic commerce, at least in part conducted by telephone or telecommunications, is complete without the included rationalization of telecommunications taxes.

The Rationale for Diversity

The primary problem with any proposed plan to simplify state taxes either through a compact or by "encouragement" from the federal government is that there is really nothing simple about it. The Founding Fathers recognized that states would differ significantly in their approaches to taxes and considered that difference to be a good thing. Competition between the states meant that an American citizen who was unhappy with the policies of one state could move to another.

As the “laboratories of democracy” experimented with different policies, each state would determine what was best and acceptable to its own population. Most states have a sales tax, but some don’t. Most states have an income tax, but some don’t. The simplified plan tries to override the Founders’ wisdom by creating a uniform tax policy that is both anti-competitive and unnatural to a federalist system.

The Limits of State Sovereignty

The real purpose behind the simplified system, approved by the federal government through a compact is to allow one state to impose a tax on citizens of the other states, in essence sidestepping the U.S. Supreme Court’s *Quill Corp. vs. North Dakota.* That decision barred states from requiring an out-of-state mail order company to collect taxes on sales made to customers inside the state unless the business had a substantial presence within the state. Otherwise, states would be able to tax citizens of other states, and those citizens would have no democratic recourse at the polls. If there is any principle that is ingrained in the American mind it is: No taxation without representation. In addition, the state taxation schemes were determined to be far too complex for remote sellers and in effect had become a barrier to interstate commerce.

Are the states’ attempts to tax online sales hopeless? No, each state has the constitutional right to tax citizens living within its borders. Every state that has a sales tax has a use tax that requires residents to pay the state the sales tax on their out-of-state purchases. That most people ignore this law is a problem of compliance, not a reason to create a new and constitutionally questionable tax system, as further described later.

One of the most persistent myths during the course of the debate about Internet tax has been that the moratorium on discriminatory taxes has somehow precluded states from collecting sales and use taxes. The states have always had the ability to collect sales and use taxes within their state borders. Sales made in a state by a remote vendor trigger a use tax obligation on the purchaser, rather than an obligation on the remote vendor to collect and remit a sales tax. Again, states have the authority to collect the use tax from its residents, although it is admittedly a difficult tax to widely enforce. For sales tax, the states have been provided a roadmap by the US Supreme Court in *Quill*. So, absent Congressional approval, the states cannot require out-of-state merchants without a physical presence in the state to collect and remit sales tax on purchases made in the state.

Despite the insistence of some involved in this debate, this issue is not a question of who should control the future of state tax schemes. States should control taxing authority within their borders. Rather, this is clearly an issue of the states trying to expand their taxing power under the U.S. Constitution without dramatically simplifying their currently difficult (particularly for small companies) web of conflicting sales tax laws and rules. What the states have actually asked for is a right to require remote merchants to collect and remit sales taxes. This is a dramatic expansion of power, and should not be taken as anything less.

Constitutional Concerns

While making the Internet tax moratorium permanent (or at least extending it) is the right thing to do, there is a worm in the apple, or we say these days, a virus in the system. Seeking favor from the forces favoring expanded Internet taxation (principally state and local governments and the special interests that feed off of them), former champions of a tax-free internet like Sen. Ron Wyden (D-OR) have attached to their moratorium extension bills the outline of a massive overhaul of state and local sales and use taxes involving centralized (multistate) tax administration, uniform rules and procedures, common forms and audits, and so forth. This concept is already well advanced in negotiations among a “streamlined sales tax” coalition of states that want to leverage business interest in uniform tax rates and structures to win power to tax sales from out-of-state vendors.

If this sounds innocuous at first glance, it isn’t. The National Governors’ Association has been pressing for this power for several years, despite constitutional concerns about taxing sales where there is no “nexus” with the taxing state (as defined by the U.S. Supreme Court). After all, the Constitution gives the federal government power over taxing interstate commerce, and state tax laws must respect that boundary.

What’s more, the simplification favoring bills are not the worst of it. Sen. Byron Dorgan (D-ND) the reigning champion of tax-grabbing states, and Congressman Ernest Istook (R-OK) are proposing that Congress *pre-authorize* a compact among states along the lines of the streamlined sales tax coalition. Constitutionally speaking, Congress must authorize any such compact among states if there is serious assertion of new multi-state political power involved, which clearly is the case here. The compact would go forward in perpetuity *unless* Congress affirmatively voted to reject it within 120 days. This procedure is constitutionally dubious at best, and undemocratic at worst, because it would impose state taxes on out-of-state residents whether or not they consent, or whether or not they realize it.

This approach also thumbs its nose at the Constitution by boldly asserting this legislation would by definition be consistent with the Commerce Clause (the judicial system doesn’t matter, apparently). The idea may not go anywhere, but it’s the worst of the panoply of proposals that show how badly the defense of constitutional restraints on Internet taxation has collapsed. If Congress can’t pass a “clean” extension of the Internet tax moratorium this year, it would truly be better (at least from a constitutional standpoint) to do nothing and let folks fight it out in court.

In fairness, there are better proposals out there, such as a bill by Sens. George Allen (R-VA) and Conrad Burns (R-MT) that would make the Internet tax moratorium permanent and reject any notion of promoting a cartel of states that would exploit the Internet to reach taxpayers beyond their borders to fatten their purses. But unless the friends of the Internet, and the Constitution, come to their senses, the Allen-Burns legislation seems like pie-in-the-sky this year. Our political discourse may now be so corrupted by the Clinton Administration that even simple concepts like tax hikes and tax cuts have to be parsed by lawyers and theologians before we know what they mean. IPI

This article was taken from the IPI Ideas publication, Navigating the Internet Tax Debate, *compiled by: Bartlett Cleland, Director of the IPI Center for Technology Freedom; Lawrence A. Hunter, Chief Economist for Empower America and a member of IPI’s Board of Advisors; George Pieler, Director of the IPI Center for Education Freedom; and Merrill Matthews Jr., A Visiting Scholar with IPI.*

Ending the Social Security Earnings Limit. . . for Everyone

It isn't easy taking early retirement these days. Consider, for example, Robert and Doris, a couple who live in Texas.

Robert, an engineer who decided to take an early retirement package, was enjoying shuffling his grandchildren around and spending quality time with his computer. However, his company found it still needed his skills and experience to finish a major project and implored him to come back for several months as a consultant — not uncommon for those accepting early retirement. Robert reluctantly acquiesced.

His wife, Doris, who works part-time in a small family-owned business, also found herself in a pinch. The owner began experiencing health problems and had to take some time off. Doris was asked to fill in the gap.

As a result of their sacrificial efforts, Robert and Doris are being financially punished by Social Security — just like thousands of other early retirees.

Last year, Congress took an important step for both seniors and the economy: It voted unanimously, in both the House and Senate, to end the Social Security earnings limit for seniors age 65 and older. The earnings limit penalizes retirees who earn more income than the government allows by withholding a portion of their Social Security benefits.

As welcome as that move was, workers age 62 through 64 who decide to take early retirement, like Robert and Doris, are still penalized with an earnings limit tax that is even more onerous than the one Congress eliminated.

The original earnings limit was created with the passage of Social Security in 1935 to fulfill social policy, not economic policy. Jobs were scarce during the Great Depression, and the earnings limit was intended to encourage retirees to leave the workforce to open up jobs for younger workers.

Before its repeal, seniors age 65 and over could earn up to $17,000 a year without penalty. For every $3 seniors earned above $17,000, they forfeited $1 in Social Security benefits. In other words, seniors faced a 33 percent marginal tax rate on every dollar they earned above $17,000. And, of course, like younger workers, they still faced standard income and payroll taxes.

But the earnings limit for early retirees age 62 through 64 remains in place — and it is far more punitive. For the year 2001, the threshold is $10,680 — much lower than the $17,000 those 65 and older faced before the earnings limit on them was repealed. Early retirees who work will have their Social Security benefits reduced $1 for every $2 they make above the limit— an effective 50 percent marginal tax rate.

The earnings limit on early retirees is a huge disincentive to work. According to the Social Security Administration, 581,000 early retires, ages 62 through 64, reported earnings in 1997, with about 496,000 reporting earnings of $10,000 or less (the earnings limit was $8,640 in 1997). Thus about 85 percent of early retirees opted to keep their earned income close to or below the earnings limit.

When one considers the effective marginal tax rate these early retirees face, it's easy to see why they limit their work. According to their tax bracket, early retirees could easily lose more than a dollar for each dollar they earn above the $10,680 threshold.

- An early retiree in the 15 percent tax bracket would have to pay a 15.3 percent payroll tax in addition to the 50 percent earnings penalty, for a total marginal tax rate of 80.3 percent.

- An early retiree in the 39.6 percent tax bracket, with a 15.3 percent payroll tax and a 50 percent earnings penalty, would face a total marginal tax rate of 104.9 percent.

So what's keeping the antiquated earnings limit on those seniors younger than 65? Fear. Political fear that eliminating the earnings test would encourage early retirement and increase the poverty rate among older seniors. Since those retiring before the age of 65 settle for a reduced monthly Social Security check, some politicians fear that the reduced benefit would not be enough yearly income to lift the seniors above the poverty level in their latter years. However, because Social Security Benefits are actuarially balanced, early and late retirees (with similar earnings histories) receive the same amount of money regardless of when they retire. If Congress is concerned about elderly poverty, it should consider policies that would address that problem, not distort both the labor market and retirement decisions.

Robert and Doris worked and paid into Social Security their whole lives. Yet the government withholds the benefits they deserve simply because they continue to be productive members of society. This is wrong and it has to stop.

While it may have made sense to impose a Social Security earnings limit in 1935 when Congress created the program, it makes no sense today. Congress made the right decision in ending the earnings limit facing seniors ages 65 to 70. Now it's time to do the right thing for early retirees. IPI

Pete Sessions is a Republican Congesssman from the 5th District in Texas.

Dr. Merrill Matthews Jr. is a visiting scholar with the Institute for Policy Innovation and policy director for the American Conservative Network, a project of the American Conservative Union.

IMPACT

Ending Social Security Earnings Limit for All Retirees

IPI's Issue Brief "Ending the Social Security Earnings Limit – for Everyone" was released on May 3, 2001 at a press conference on the lawn of the Capitol Building in Washington, D.C. National media listened in as IPI President Tom Giovanetti explained that although Congress ended the Social Security earnings limit on working seniors age 65 and older last year, early retirees – ages 62 through 64 – are still penalized for working and being productive.

Representative Pete Sessions (R-TX) agrees. At IPI's event, he announced new legislation to eliminate the earnings test for these early retirees. According to Sessions, such legislation is necessary because the Social Security earnings test prevents senior citizens from being productive. It not only taxes them, but discourages them from being in the workforce at a time when many need to supplement their income.

Congressional bill co-sponsors Ralph Hall (D-TX) and Dave Weldon (R-FL) also voiced their support for elimination of the Social Security earnings limit at the press conference.

Representatives for leading senior groups participating in IPI's event included: Jim Martin, President, 60 Plus; Charles Jarvis, President and CEO, United Seniors Association; and Drew Hiatt, Vice President, Seniors Coalition.

Rep. Pete Sessions and Tom Giovanetti visiting with Jim Martin, Marilyn Landrum and Marva Dash of 60 Plus.

IPI President, Tom Giovanetti addresses the crowd.

Tom Giovanetti, Rep. Pete Sessions and IPI Issue Brief author, Merrill Matthews.

Rep. Ralph Hall co-sponsors bill to eliminate the remaining Social Security earnings test. Looking on is Drew Hiatt, Rep. Dave Weldon and Rep. Pete Sessions.

Rep. Pete Sessions announces legislation at IPI press conference.

Eliminating the "Death Tax"

IPI's Senior Research Fellow Gary Robbins testified by invitation before the Senate Finance Committee on March 15, 2001. At this congressional hearing on "Preserving and Protecting Family Business Legacies," Mr. Robbins noted that estate taxes are no longer the headache of just the super rich, their tax attorneys and their estate planners, but increasingly harm average income Americans.

IPI Senior Fellow Gary Robbins testifies before the Senate Finance Committee.

And to what is this trend due?—A strong economy and an ever-widening distribution of wealth—both good things. But when coupled with tax policy that has failed to keep up with economic growth, this growth has extended the reach of estate taxes to middle class America.

Mr. Robbins' complete comments can be read at our website www.ipi.org. For further information on estate taxes, check out IPI Policy Report #150, "The Case For Burying the Estate Tax" also at www.ipi.org.

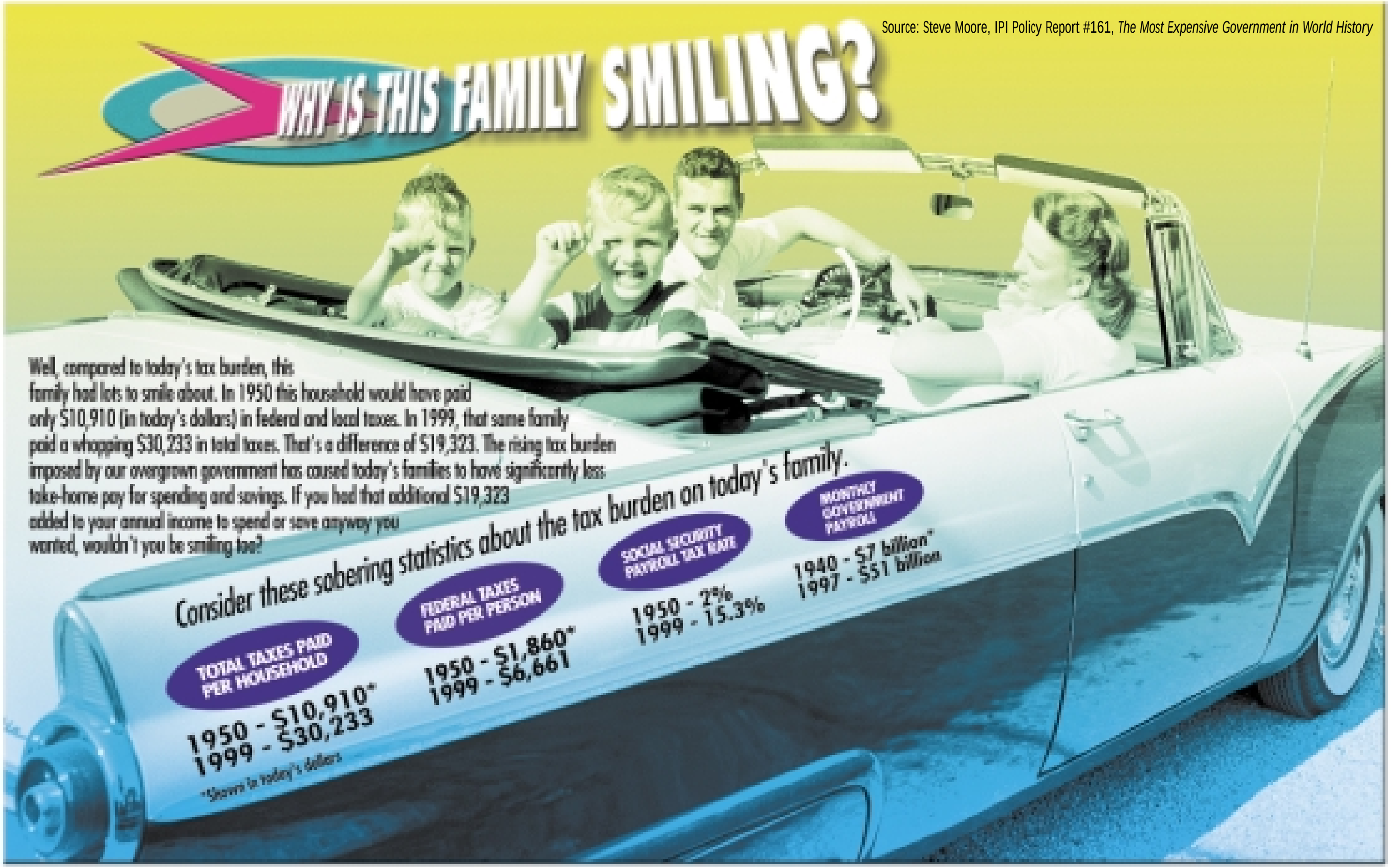
IPI Co-hosts Marriage Tax Briefing

IPI co-hosted a congressional staff briefing with the New York-based Institute for American Values and the Illinois-based Howard Center for Family, Religion, and Society to help legislators understand "How The Current Tax Debate Affects Marriage and Families." This March event coincided with the ongoing debate in the House of Representatives and the then-upcoming vote on the Bush tax cut in late March.

Isabel Sawhill of The Brookings Institution at the IPI congressional briefing. (photo courtesy of Roll Call)

Panelists pointed out the good and bad of Bush's tax cut as it related to marriages and families and discussed whether the tax code should recognize marriage or be marriage-neutral. They also suggested changes in the tax code to strengthen marriage and the family.

Participants included: Allan Carlson, Howard Center for Family, Religion, and Society; Isabel Sawhill, The Brookings Institution; Jeff Lemieux, Progressive Policy Institute; David Hartman, The Lone Star Foundation; and Moderator David Blankenhorn, Institute for American Values.



IPI UNFOLDS THE ROAD MAP TO TAX REFORM

The first in this comprehensive series on tax reform is hitting the streets (and your mailbox) this month. Nearly two decades after the Reagan revolution, leading free-market thinkers are back in action and are pooling their intellectual resources to produce the most comprehensive tax reform mandate ever. For more information or to receive email updates on this project log on to www. ipi.org

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