

Conservative Groups Oppose the Bipartisan Fiscal Commission Tax Trap

AMERICANS
for TAX REFORM

February 8, 2024

Dear Members of Congress,

AMERICAN COMMITMENT

We urge you to reject H.R. 5779, the Fiscal Commission Act of 2023 (FCA). The “bipartisan fiscal commission” is a tax trap designed to get Republican fingerprints on a tax increase in exchange for “spending cuts” that never materialize.

CFE
CENTER FOR A FREE ECONOMY

As President Trump’s Director of the National Economic Council, Larry Kudlow, stated in January, “the trouble with these so-called bipartisan commissions is they start raising taxes at the very first meeting even before the first cup of coffee has been poured.”

THE CLUB FOR
GROWTH

There is no need for a bipartisan commission to explain what is driving the national debt. We already know spending is the problem. Tax increases are not part of any serious effort to restrain government spending or reduce the debt. The fiscal commission will only serve to provide cover for Democrats to impose tax increases.

COMPETITIVE
ENTERPRISE
INSTITUTE

The intent of the fiscal commission to propose tax increases has been clearly stated by its proponents.

Sen. Mitt Romney (R-Utah), testifying before the House Budget Committee in support of the FCA stated:

Independent
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“Everything is on the table. Meaning revenues as well as spending. If there are other ideas, there is an arbitrage idea put forward by a couple of Senators. Basically, all ideas are on the table. Including revenue.”

JCN

During the House Budget Committee markup of the Fiscal Commission Act of 2023, Rep. Scott Peters (D-Calif.) stated:

“If we come up with something that doesn't have revenues in it...we're not going to vote it onto the floor.”

Democrats will use the commission to undermine the Tax Cuts and Jobs Act. Every dollar in fiscal commission tax hikes will be unavailable for efforts to extend TCJA.

Bipartisan Fiscal Commissions Have Always Been Tax-Traps

A bipartisan fiscal commission isn't a new idea. In fact, we've tested this idea several times before. Overwhelmingly, the result is failure to reduce spending and success – for the Left – in putting tax hikes on the table.

In 1982 Democrats made a “bipartisan grand bargain” with President Reagan promising \$3 in spending cuts for every \$1 in tax increases. Result: The tax increases happened, the spending cuts did not. Reagan regretted getting lied to and later [said](#), “We never got the \$3 in spending cuts.”

In 1990 Democrats made another “bipartisan grand bargain” with President George H.W. Bush promising \$2 in spending cuts for every \$1 in tax increases. Result: The tax increases happened, the spending cuts did not. Bush regretted getting lied to and later said, “It was a mistake to go along with the Democratic tax increase and I admit it.”

The bipartisan National Commission on Fiscal Responsibility and Reform, commonly referred to as Simpson-Bowles, created via executive order during the Obama administration, proposed several multi-trillion-dollar tax hikes that went to Congress to be voted on.

In 2010, Simpson-Bowles proposed a net tax hike of [\\$1.133 trillion](#) to raise the federal tax burden permanently to [21 percent of GDP](#), up from the half-century average of 18 percent of GDP.

[Simpson-Bowles](#) would have [raised taxes](#) over the next decade by \$2 trillion, and was riddled with [phony spending cut](#) gimmicks and double-counting. It was voted down in the House after [united conservative movement opposition](#) from groups like Club for Growth, Americans for Tax Reform, Americans for Prosperity, and the Heritage Foundation.

We urge you to reject the Fiscal Commission Act of 2023 which will only serve as a tax trap for conservative lawmakers and further efforts to increase taxes on Americans.

Onwards,

Grover Norquist
President, Americans for Tax Reform

Phil Kerpen
President, American Commitment

Ryan Ellis
President, Center for a Free Economy

David M. McIntosh
President, Club for Growth

Ryan Young,
Senior Economist, Competitive Enterprise Institute

Heather Higgins
CEO, Independent Women's Voice

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