

Congress of the United States

Washington, DC 20515

September 23, 2005

The Honorable Connie Mack
Chairman
President's Advisory Panel on
Federal Tax Reform
1440 New York Avenue, Suite 2100
Washington, DC 20220

The Honorable John Breaux
Vice Chairman
President's Advisory Panel on
Federal Tax Reform
1440 New York Avenue, Suite 2100
Washington, DC 20220

Dear Chairman Mack, Vice Chairman Breaux, and Members of the Panel:

We Members of the Republican Study Committee write to express our opposition to a "Return-Free" tax filing system. In "Return-Free," the IRS automatically prepares the income tax returns of those taxpayers with the simplest returns and sends such taxpayers a bill. This system is fraught with practical and principled problems.

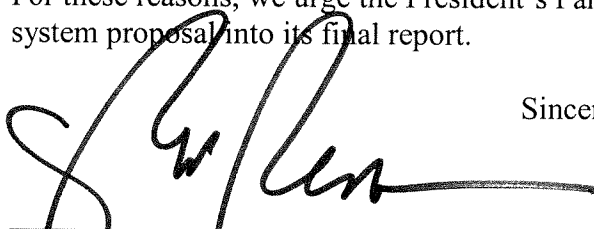
We understand this concept has been raised by some for consideration by the President's Advisory Panel on Federal Tax Reform. We will strongly oppose any recommendation that Congress or the President consider implementing a federal "Return-Free" tax filing system.

There are several major reasons why this "taxpayer service" is flawed, dangerous to taxpayers, and should not be a component of federal tax reform:

- **Return-Free creates a conflict of interest by making the tax collector the tax preparer.**
- **Return-Free takes a dangerous step away from voluntary compliance.**
- **This program likely will result in more errors, as intimidated taxpayers either underpay or overpay.**
- **The individual taxpayer—not the IRS—will still be personally liable for mistakes.**
- **Return-Free is not a solution for non-compliance, since unreported income still could not be accounted for.**
- **Even with Return-Free, many taxpayers will still have to take the time to prepare their taxes in order to verify the bill the IRS sent them.**

For these reasons, we urge the President's Panel **not** to incorporate a Return-Free tax system proposal into its final report.

Sincerely,



RSC Chairman, Mike Pence (R-IN)

Tom Lauer

Joe Wilson

Jack King

Virgil Good

Bill Gutknecht

Zane Camp

Barbara Culin

E. S. Marrett '55

Tom Fessenden

John Boyman

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Howard P. Duhon

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Jue Myrick

Bob

Jeff Miller

Carl Flake

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Husta Blackem

Charles H. Taylor

Anne M. Northrup

Paul Myyello

for Bachus

Michael T. McCaul

Richard Pombo