



## Reliable References

Student Handout #1: **Republican Presidential Debate Excerpt**

YEPSEN: Governor Romney, how do you come down on this question?

ROMNEY: It's good, but it's not that good.

HUCKABEE: No, it's actually better than that, Mitt, it's even better than that.

ROMNEY: There are a lot of features that are very attractive about a fair tax. Getting rid of the IRS is something we'd all love. But the truth is, we're going to have to pay taxes. We are the largest economy in the world. **We've added -- during the time Europe added 3 million jobs, we've added about 50 million jobs in this country.** And so completely throwing out our tax system and coming up with an entirely new one is something we have to do very, very carefully. The president's commission on taxation -- tax reform -- looked at this and said: Not a good idea. Some of the reasons...

HUCKABEE: They didn't look at that...

ROMNEY: Let me -- hold on, let me complete. Some of the reasons are the fair tax, for instance, charges a 23 percent tax, plus state sales tax, on a new home, when you purchase a new home. But if you buy an old home, there's no tax. Think what that might do to the construction industry. We need to thoroughly take it apart before we make a change of that nature. That's why my view is, get rid of the tax on savings and let middle-income people save their money tax-free.

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YEPSEN: Senator McCain, how do you come down on this question?

MCCAIN:: I believe that we've got to simplify the tax code. But one of the first areas we've got to go after is the alternate minimum tax, which is going to eat in to 20 million American families if we don't eliminate it, and very quickly. Look, when we found out that Congress could not close a single military base when we had a huge number of them, we appointed -- we passed a law where we appointed a commission and they said we would close so many based and Congress votes up or no -- up or down. I would find Alan Greenspan. I'd say, "Give us your recommendations." We'll pass a law. And we will vote on Alan Greenspan and his commission's recommendations, yes or no, up or down. **That's the way you're going to simplify the tax code, which now requires \$140 billion of American families' income to prepare their tax returns.**