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'Fair tax' advocates set to rally

10,000-plus anticipated for event at fairground.

By [Terry Ganey](#)

[Thursday, June 11, 2009](#)

Correction appended

A local organizer expects more than 10,000 people to attend a Saturday rally in Columbia sponsored by supporters of a plan to replace the individual and corporate income tax with a sales tax.

"In January, we expected we would get about 1,000 people to come to this," said Colin Malaker, a Columbia dentist. "It has cascaded into a tremendously huge event. For sure, we will get 10,000 to 15,000."

Billed as the Midwest Fair Tax Rally, the event will be from 8 a.m. to 4 p.m. at the Boone County Fairgrounds. Advocates for the tax changes, including U.S. Rep. John Linder, R-Ga., radio personality Neal Boortz and state Rep. Ed Emery, R-Lamar, are scheduled to speak.

Also on the program is Samuel Joseph Wurzelbacher, "Joe the Plumber" from the 2008 presidential campaign. Carl Bearden of Americans for Prosperity, a conservative advocacy organization, predicted it would be "a tea-party type of event."

"It's designed to get the grass roots out and get them activated," said Bearden, a former Missouri House speaker pro tem who also is scheduled to speak. "The fair tax organization would like to see Missouri lead the nation in taking a step out on tax reform. If Missouri accomplishes that, we become the model for other states."

Emery proposed a constitutional amendment during the last legislative session that would have increased the state sales tax rate from 4.225 percent to 5.111 percent. The tax would also cover more transactions, including services such as repairs, legal representation and accounting services. The purchase of a new house also would be subject to the sales tax as well as the purchase of food and prescription drugs.

The proposal was described as being "revenue neutral," meaning it would not raise any more money than the existing state income tax. Proponents said it would spur economic development while giving consumers some control of what they pay in taxes because they are taxed on how much they buy.

"We discourage success with the current tax code," Emery said. "The fair tax encourages success for people to earn more, to get a promotion."

The House approved Emery's legislation 90-65 late in the session. The Senate did not take it up. Linder's resolution to repeal the federal income tax and replace it with a 23 percent national sales tax has not advanced in Congress.

Under both state and federal plans, everyone would receive a rebate equal to what the tax would be on what poor people pay for essential goods and services. Malaker said a family of four would get \$525 a month, essentially wiping out the tax for those in poverty.

Critics say middle-income taxpayers would be hardest hit by the change in tax policy.

"The only folks who get a tax cut from this legislation were in the top 5 percent of income distribution," said Kelly Davis of the Institute on Taxation and Economic Policy. A report issued by the group said the middle 20 percent of Missouri's income distribution, those with an average income of \$37,000, would see an average tax increase of \$2,036.

Tom Kruckemeyer, an analyst with the Missouri Budget Project, said the proposed sales tax increase underestimates how much will be needed to replace the state income tax and pay for the rebates. He said a state rate of 9 percent would be required.

Bob Quinn of the Missouri Association for Social Welfare said the income tax system, with higher rates for people in higher income brackets, reflects the philosophy that "people who have done better should bear the greater burden of the cost of government services."

"This moves us in the opposite direction," Quinn said. "It is the antithesis of what's fair."

This page has been revised to reflect the following correction:

SECOND THOUGHTS: Thursday, June 11, 2009

Because of an editing error, a news story Thursday about the Midwest Fair Tax Rally on Saturday in Columbia incorrectly referred to Carl Bearden as a former Missouri House speaker. He is a former Missouri House speaker pro tem.

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