

How ALEC Bills Would Rewrite the Tax Code and Aid the Richest

Through ALEC, corporations voted bills to rewrite the tax code that would increase their profits or the riches of their CEOs by:

Helping the richest of the rich get richer, through:

- [Opposing windfall profits taxes on energy companies](#), like Exxon Mobil and BP (oil companies have been reporting out of this world profits while American workers struggle to make ends meet).
- [Eliminating the Capital Gains tax](#), the tax on profits from investments that benefits the richest the most. Wisconsin adopted this give away in 2011 and the South Carolina legislature is considering it.
- [Calling for repeal of the estate tax](#), which only taxes very large estates -- those over \$5 million, or \$10 million for couples -- and limits revenue for public services in favor of expanding the wealth of the most privileged in America.
- [Making the Bush tax cuts for the wealthy permanent](#), even though they were created from the Clinton budget surplus and the cuts contributed to the federal deficit.

Making it easier for tax cheaters to get away with ripping off the public by:

- [Removing incentives](#) for investigating and prosecuting tax cheats.

Preventing key taxes from helping America reduce its dependence on oil, through:

- [Restricting the use of vehicle fees and taxes for highway purposes](#) by amending state constitutions to require that revenues from gas taxes and vehicle-related fees be used for highways, rather than investment in developing alternative fuels or things to reduce oil dependence, like light rail, trains, or bike lanes. The proposed ALEC amendment has been adopted in 29 states, eight of which copied ALEC's language verbatim.

Allowing a small minority of legislators to thwart tax increases, regardless of public needs, by:

- [Amending state constitutions](#) to require that all tax and license fee increases be approved by a 2/3 majority of the legislature, allowing a minority of politicians to dictate policy and thwart majority will.

Limiting taxes of businesses, top income brackets, and others, regardless of national or state needs, through:

- [Supporting federal legislation](#) that limits all spending to the rate of inflation, regardless of national or state emergencies or federal commitments such as for military defense of the nation.
- [Limiting states' ability to raise revenue](#) by indexing tax brackets to inflation, while in other bills opposing the use of inflation as a basis for increasing the minimum wage.
- [Promoting a constitutional amendment](#) capping revenue and spending, and requiring that collections above the limit be transferred into an Emergency Reserve Fund, severely limiting a state's ability to respond to price increases, such as, for example, a double-digit rise in health care costs.
- [Automatically adjusting individual and corporate tax rates downward](#) if tax revenue collected in previous years had increased above a certain percent, squeezing government and forcing cuts.
- Supporting a flat tax, where the wealthiest corporations and people pay taxes at the same rate as the middle class or poorest, reversing America's history of progressive taxation: see [this bill](#), [this bill](#) and [this bill](#).

ALEC also provided PR sound bites to push its tax agenda: see [here](#) and [here](#).

To see a full list of bills from this section, [click here](#)