**POLICY POSITIONS ON TAX ISSUES IN**

**DEMOCRATIC PARTY PLATFORMS FROM 1960 TO 2012**

**Compiled by Americans for Tax Fairness**

Source for all platform language is here:<http://www.presidency.ucsb.edu/platforms.php>

Note: These are noteworthy excerpts of discussions about tax issues from past Democratic platforms. The excerpts are not comprehensive; often there are brief mentions of tax issues throughout a lengthy platform document.

[**2012**](http://www.presidency.ucsb.edu/papers_pdf/101962.pdf)

Note: there are many references in the platform to middle-class tax cuts, small business tax cuts and tax credits. There are also quite a few criticisms of Republicans for tax breaks for the rich and corporations. But there are very few recommendations for progressive tax reform. Below are the most substantive references in the entire 32-page document.

Page 7

In order to reduce the deficit while still making the investments we need in education, research, infrastructure, and clean energy, the President has asked for the wealthiest taxpayers to pay their fair share. We have to cut what we don’t need in order to make room for the things we do need to grow our economy. We support allowing the Bush tax cuts for the wealthiest to expire and closing loopholes and deductions for the largest corporations and the highest earning taxpayers. We are committed to reforming our tax code so that it is fairer and simpler, creating a tax code that lives up to the Buffett Rule so no millionaire pays a smaller share of his or her income in taxes than middle class families do. We are also committed to reforming the corporate tax code to lower tax rates for companies in the United States, with additional relief for those locating manufacturing and research and development on our shores, while closing loopholes and reducing incentives for corporations to shift jobs overseas. The Republican Party has a different vision—instead of asking everyone to do their fair share and making investments we need for an economy built to last, they would slash taxes for corporations and the wealthiest Americans, let Wall Street once again write its own rules, and balance the budget on the backs of the middle class. Romney and Congressional Republicans share the same, distorted view of the economy and support the same, lopsided budget. Romney would roll back the tax relief Democrats provided to working families and college students, and would require massive new taxes on the middle class to pay for his $5 trillion tax plan that primarily benefits the wealthy. The Democratic Party opposes efforts to give additional tax cuts to the wealthiest Americans at the expense of the middle class and investments in our future.

Republicans would keep giving billions of taxpayer dollars a year to profitable oil companies and increase costs on consumers. Democrats will fight to cut tax subsidies for Big Oil while promoting job growth in the clean energy sector, so we can cut the deficit and increase jobs and growth in America.

Page 8

Insourcing. The Democratic Party believes in insourcing so that America can out-build the rest of the world again. We want to cut tax breaks for companies that are shipping jobs overseas and for special interests, and instead offer tax breaks to companies that are investing right here in the United States of America, betting on American workers who are making American products we sell to the world that are stamped with three proud words: Made in America.

… But the Republican Party has nominated a man whose firm invested in companies that were pioneers of outsourcing – and whose plans would actually encourage outsourcing by eliminating all taxes on the foreign profits of U.S. companies.

Page 9

Out-Innovating the Rest of the World. Democrats support a world-class commitment to science and research so that the next generation of innovators and high-technology manufacturing companies thrive in America. President Obama signed into law changes to help entrepreneurs raise capital and create jobs. Democrats are committed to preparing math and science teachers and training workers with skills for the future, and doubling funding for key basic research agencies. We support expanding and making permanent the Research and Experimentation Tax Credit.

Page 10

Families. It’s time we stop just talking about family values and start pursuing policies that truly value families. The President and Democrats have cut taxes for every working American family, and expanded the Child Tax Credit and Earned Income Tax Credit.

Page 19

We will continue the improvements in refundable tax credits for low-income families to encourage work and education while lifting families out of poverty.

… We face an opposition that has proven its priorities are elsewhere. Mitt Romney would raise taxes on low- and middle-income Americans to fund his tax breaks weighted toward the wealthiest. We reject the Republican budget plan that would force us to destroy the safety net in order to help the wealthiest avoid doing their fair share.

[**2008**](http://www.presidency.ucsb.edu/ws/index.php?pid=78283)

Under “Investing in American Competitiveness”:

Higher Education

**We will make college affordable for all Americans by creating a new American Opportunity Tax Credit to ensure that the first $4,000 of a college education is completely free for most Americans.** In exchange for the credit, students will be expected to perform community service. We will continue to support programs, especially the Pell Grant program, that open the doors of college opportunity to low-income Americans. We will enable families to apply for financial aid simply by checking a box on their tax form.

Economic Stewardship

#### Restoring Fairness to Our Tax Code

**We must reform our tax code. It's thousands of pages long, a monstrosity that high-priced lobbyists have rigged with page after page of special interest loopholes and tax shelters. We will shut down the corporate loopholes and tax havens and use the money so that we can provide an immediate middle-class tax cut that will offer relief to workers and their families.** We'll eliminate federal income taxes for millions of retirees, because all seniors deserve to live out their lives with dignity and respect. We will not increase taxes on any family earning under $250,000 and we will offer additional tax cuts for middle class families. **For families making more than $250,000, we'll ask them to give back a portion of the Bush tax cuts to invest in health care and other key priorities.** We will end the penalty within the current Social Security system for public service that exists in several states. We will expand the Earned Income Tax Credit, and dramatically simplify tax filings so that millions of Americans can do their taxes in less than five minutes.

#### Smart, Strong, and Fair Trade Policies

Just as important, we will invest in a world-class infrastructure, skilled workforce, and cutting-edge technology so that we can compete successfully on high-value-added products, not sweatshop wages and conditions. **We will end tax breaks for companies that ship American jobs overseas, and provide incentives for companies that keep and maintain good jobs here in the United States.** We will also provide access to affordable health insurance and enhance retirement security, and we will update and expand Trade Adjustment Assistance to help workers in industries vulnerable to international competition, as well as service sector and public sector workers impacted by trade, and we will improve TAA's health care benefits. The United States should renew its own commitment to respect for workers' fundamental human rights, and at the same time strengthen the ILO's ability to promote workers' rights abroad through technical assistance and capacity building.

#### Fiscal Responsibility

Our agenda is ambitious–particularly in light of the current Administration's policies that have run up the national debt to over $4 trillion. Just as America cannot afford to continue to run up huge deficits, so too can we not afford to short-change investments. The key is to make the tough choices, in particular enforcing pay-as-you-go budgeting rules. We will honor these rules by our plan to end the Iraq war responsibly, eliminate waste in existing government programs, generate revenue by charging polluters for the greenhouse gases they are releasing**, and put an end to the reckless, special interest driven corporate loopholes and tax cuts for the wealthy that have been the centerpiece of the Bush Administration's economic policy. We will not raise taxes on people making less than $250,000, and we will eliminate federal income taxes for seniors making less than $50,000.** We recognize that Social Security is not in crisis and we should do everything we can to strengthen this vital program, including asking those making over $250,000 to pay a bit more. The real long-run fiscal challenge is rooted in the rising spending on health care, but we cannot address this in a way that puts our most vulnerable families in jeopardy. Instead, we must strengthen our public programs by bringing down the cost of health care and reducing waste while making strategic investments that emphasize quality, efficiency, and prevention. In the name of our children, we reject the proposals of those who want to continue George Bush's disastrous economic policies.

[**2004**](http://www.presidency.ucsb.edu/ws/index.php?pid=29613)

Under “A Strong, Growing Economy”:

In President George Bush's America, unfortunately, too often you need special privileges if you want opportunity. This White House values wealth over hard work, lavishes special treatment upon a fortunate few at the expense of most businesses and working people, and defends policies that weaken America's competitive position and destroy American jobs. Instead of meeting the challenge of globalization by strengthening our workers' ability to compete and win, this Administration uses globalization as an excuse not to fight for American jobs. …

***Tax reform to create jobs.*Today's tax law provides big breaks for companies that send American jobs overseas. Current "deferral" policies allow American companies to avoid paying American taxes on the income earned by their foreign subsidiaries.** John Kerry and John Edwards will end deferral that encourages companies to ship jobs overseas, and they will close other loopholes to make the tax code work for the American worker. They'll use the savings to offer tax cuts for companies that produce goods and create jobs here at home. Under John Kerry and John Edwards, 99 percent of American businesses will pay lower taxes than today. …

*Promoting small businesses.* Small businesses and entrepreneurs are the lifeblood of our economy. We will encourage small business growth with a plan to make it easier for small businesses to secure capital and loans. **We support tax credits and energy investments that slash overall operating costs for small businesses and encourage them to grow and expand here in America.** For America's 350,000 small manufacturers, which account for over half the total value of U.S. industrial production and employ 11 million people in high-skill, high-wage jobs, we will double funding to use technology to grow.

Under “STANDING UP FOR THE GREAT AMERICAN MIDDLE CLASS”:

President Bush and the Republicans in Congress have ignored the middle class since day one of this Administration. They have catered to the wealth of the richest instead of honoring the work of the rest of us. They have promised almost everything and paid for almost nothing. **And the middle class is shouldering more taxes, earning less money, and bearing higher costs.** The bottom line for the middle class under President Bush and the Republican Party is this: Instead of working hard to get ahead, the middle class is working hard just to get by.

*Cutting taxes for middle class Americans.* First, we must restore our values to our tax code. **We want a tax code that rewards work and creates wealth for more people, not a tax code that hoards wealth for those who already have it. With the middle class under assault like never before, we simply cannot afford the massive Bush tax cuts for the very wealthiest. We should set taxes for families making more than $200,000 a year at the same level as in the late 1990s, a period of great prosperity when the wealthiest Americans thrived without special treatment.** We will cut taxes for 98 percent of Americans and help families meet the economic challenges of their everyday lives. And we will oppose tax increases on middle class families, including those living abroad. …

*Fiscal discipline.* We must restore responsibility to our budget, or we will strangle opportunity for the next generation of middle class Americans. Over the last three years, record surpluses have turned into record deficits. Not once has this Administration tried to balance new spending with new savings or pay for new initiatives – including its enormous tax breaks for the wealthy. Today, we face unsustainable foreign borrowing and rising interest rates.

Fiscal discipline helped create 23 million new jobs in the 1990s. Fiscal discipline frees up money for productive investment. And over time, fiscal discipline saves families thousands of dollars on their mortgages and credit cards.

**We will roll back the Bush tax cuts for those making more than $200,000.** We will restore commonsense budget rules that this Administration has abandoned, like "Pay-As-You-Go" rules that require the government to pay for new initiatives. We will commit to living within tough budget caps—real and enforceable limits on what the government can spend. We will enact a Constitutional version of the line-item veto to make it easier to root out pork-barrel spending. And we will make our government more efficient by cutting the waste of taxpayer dollars in the federal budget, from unneeded travel budgets to crony contracting. We are committed to cutting the deficit in half over the next four years.

*Ending corporate welfare.* **Many American corporations today pay less than ever in taxes because of tax loopholes secured by powerful lobbyists. We will end corporate welfare as we know it. We will eliminate the indefensible loopholes in our tax code— from tax deals that have no purpose but avoiding taxes to the very shelters that Enron used to drive so many lives toward financial ruin.** And we will eliminate the corporate subsidies that waste taxpayer dollars and undermine fair competition.

[**2000**](http://www.presidency.ucsb.edu/ws/index.php?pid=29612)

From “I. Prosperity”:

But ours is a record to build on, not to rest on. That's because eight years later, we face a new challenge: how to keep prosperity alive - and how to deepen it - in a fast-moving, fast-changing economy. **We can never take our economic prosperity for granted nor can we afford to go back to either tax-and-spend or cut-and-run - the failed policies of the past.** It took innovative, new Democratic policies to create the environment where prosperity could bloom. It will take more such policies to allow prosperity to blossom - to forge a prosperity that does not leave anyone out and does not leave anyone behind. …

Democrats believe that to further our prosperity and make sure all Americans are ready to reap the rewards of the new economy we need thinking as innovative as the moment in which we live. **First, we must continue the fiscal discipline that has been the hallmark of the past eight years - that means paying down the debt and offering the right kind of tax cuts.** Second, we must use our unprecedented prosperity to secure Social Security and Medicare for future generations. Third, we must invest in the most precious resource we have - the American people and their skills and ability to innovate. Fourth, we must continue to reinvent government so that it works better and costs less and is in line with the on-line world. Fifth, we must open new markets to American products at home and around the world. Finally, we must reinforce the basic American bargain of requiring and rewarding hard work and we must provide Americans with the opportunity to participate in key decisions at work and in their communities.

**The Right Kind of Tax Cuts.**

The road to long term prosperity starts with embracing fiscal discipline. Unfortunately, the Republicans eschew fiscal discipline and offer up nothing less than fiscal disaster. **They would squander the surplus on a more than trillion-dollar federal government tax giveaway for the well-off and well-connected, while failing to eliminate the national debt, neglecting to shore up Social Security and Medicare, and shirking the need to invest in the education of America's children and the skills of her workers.**

For the past eight years, Democrats have been working to offer tax relief to the Americans who need it the most where they need it the most. We cut taxes for working parents who were struggling to make ends meet. We cut taxes for parents who were working hard and trying to raise good kids. We cut taxes for Americans who had studied hard and made it to college. We cut taxes for Americans who were continuing their educations and gaining new skills to stay on the cutting-edge of the economy. We cut taxes for companies that were helping Americans make the transition from welfare to work. We cut taxes for more than 90% of America's dynamic small businesses. Today, for most families, the federal tax burden is the lowest it has been in twenty years.

**The Bush tax slash takes a different course. It is bigger than any cut Newt Gingrich ever dreamed of. It would let the richest one percent of Americans afford a new sports car and middle class Americans afford a warm soda.** It is so out-of-step with reality that the Republican Congress refused to enact it. It would undermine the American economy and undercut our prosperity. Under the leadership of Al Gore, Democrats want to give middle class families tax cuts they can use - tax cuts that will put their own values into action and that will not injure the economic vitality they rely on. **Democrats seek the right kind of tax relief - tax cuts that are specifically targeted to help those who need them the most. These tax cuts would let families live their values by helping them save for college, invest in their job skills and lifelong learning, pay for health insurance, afford child care, eliminate the marriage penalty for working families, care for elderly or disabled loved ones, invest in clean cars and clean homes, and build additional security for their retirement.**

[**1996**](http://www.presidency.ucsb.edu/ws/index.php?pid=29611)

From “Opportunity”:

“Economic Growth”

Today's Democratic Party believes that working people should not be taxed into poverty. The Republican budget raises taxes on millions of working families. …

Tax relief for working families and small businesses. President Clinton and Democrats in Congress expanded the Earned Income Tax Credit, cutting taxes to help 40 million Americans in 15 million working families -- without a single Republican vote. **The Dole-Gingrich budget was designed to give a massive tax break to the wealthiest Americans, and pay for it by raising taxes on ordinary Americans and slashing health care for the elderly. America cannot afford to return to the era of something-for-nothing tax cuts and smoke-and-mirrors accounting that produced a decade of exploding deficits.** Today's Democratic Party is committed to targeted tax cuts that help working Americans invest in their future, and **we insist that any tax cuts are completely paid for**, because we are determined to balance the budget.

We want to strengthen middle-class families by providing a $500 tax cut for children. We want to cut taxes to help families pay for education after high school and to guarantee the first two years of college. We want people to be able to use their IRA's to buy a first home, deal with a medical emergency, or provide for education. We want to cut taxes for small businesses that invest in the future and set up pensions for their workers. And we want to cut taxes for people who are self-employed and self-insured so their health care is more affordable.

“Education”:

Tax cuts for college. Over the next four years, we want to go even further: We should expand work-study so one million students a year can work their way through college by the year 2000.We should allow people to use money from their IRA to help pay for college. We should give a $1000 honor scholarship for the top 5 percent of graduates in every high school. And we must make 14 years of education the standard for every American. The Democratic Party wants to create a $10,000 tax deduction for families to help pay for education after high school. And we want to create a $1,500 tax cut for Americans, modeled after Georgia's successful HOPE scholarships, to guarantee the first year of tuition at a typical community college, and the second year if individuals earn it by maintaining a B average. No tax cut will do more to raise American incomes than a tax cut to pay for college.

“Economic Security for American Families in the 21st Century”:

… President Clinton and Congressional Democrats fought for and won the largest expansion of the Earned Income Tax Credit in history, a tax cut for 15 million working families, because no parent who takes the responsibility to work full time should have to raise children in poverty.

[**1992**](http://www.presidency.ucsb.edu/ws/index.php?pid=29610)

From the Preamble:

Their anger is justified. **We can no longer afford business as usual—neither the policies of the last 12 years of tax breaks for the rich**, mismanagement, lack of leadership and cuts in services for the middle class and the poor, nor the adoption of new programs and new spending without new thinking. It is time to listen to the grass roots of America, time to renew the spirit of citizen activism that has always been the touchstone of a free and democratic society. …

The Revolution of 1992 is about putting government back on the side of working men and women—**to help those who work hard, pay their bills, play by the rules, don't lobby for tax breaks**, do their best to give their kids a good education and to keep them away from drugs, who want a safe neighborhood for their families, the security of decent, productive jobs for themselves, and a dignified life for their parents.

Under “I. Opportunity”:

**The Deficit**

Addressing the deficit requires fair and shared sacrifice of all Americans for the common good. In 12 Republican years a national debt that took 200 years to accumulate has been quadrupled. Rising interest on that debt now swallows one tax dollar in seven. In place of the Republican supply-side disaster, the Democratic investment, economic conversion and growth strategy will generate more revenues from a growing economy. We must also tackle spending, by putting everything on the table; eliminate nonproductive programs; achieve defense savings; reform entitlement programs to control soaring health care costs; cut federal administrative costs by 3 percent annually for four years; limit increases in the "present budget" to the rate of growth in the average American's paycheck; apply a strict "pay as you go" rule to new non-investment spending; **and make the rich pay their fair share in taxes.** These choices will be made while protecting senior citizens and without further victimizing the poor. This deficit reduction effort will encourage private savings, eliminate the budget deficit over time, and permit fiscal policies that can restore America's economic health.

…

**Fairness**

Growth and equity work in tandem. People should share in society's common costs according to their ability to pay. **In the last decade, mounting payroll and other taxes have fallen disproportionately on the middle class. We will relieve the tax burden on middle class Americans by forcing the rich to pay their fair share. We will provide long-overdue tax relief to families with children.** To broaden opportunity, we will support fair lending practices.

[**1988**](http://www.presidency.ucsb.edu/ws/index.php?pid=29609)

3rd Paragraph on Statement of Principles:

**WE BELIEVE**that it is time for America to meet the challenge to change priorities after eight years of devastating Republican policies, to reverse direction and reassert progressive values, to reinvest in its people within a strong commitment to fiscal responsibility. If we are seriously to pursue our commitments to build a secure economic future for all Americans we must provide the resources to care for our newborns, educate our children, house the homeless, heal the sick, wage total war on drugs and protect the environment. **Investing in America and reducing the deficit requires that the wealthy and corporations pay their fair share and that we restrain Pentagon spending.** We further believe that we must invest in new priorities, in life-long education and training, in targeted economic development, in a healthy small business community and in retooled American industry; that it is time for the broad revitalization of home town America, involving financial institutions in the provision of crucial credit by encouraging special commitments in exchange for bailing out those that are failing, reforming and expanding community reinvestment laws, and reversing the trend of financial concentration and deregulation, all combining to reverse the insecurity that has increasingly troubled our workers and their families in this rapidly changing society that has left some communities and regions behind. There is no good reason why the nation we love, the greatest and richest nation on earth, should rank first among the industrialized nations in output per person but nearly last in infant mortality, first in the percentage of total expenditures devoted to defense but nearly last in the percentage devoted to education and housing.

[**1984**](http://www.presidency.ucsb.edu/ws/?pid=29608)

Tax Reform—America needs a tax system that encourages growth and produces adequate revenues in a fair, progressive fashion. The Democratic Party is committed to a tax policy that embodies these basic values.

The present system is unfair, complex, and encourages people to use a wide range of loopholes to avoid paying their fair share of taxes. The combination of loopholes for the few and high rates for the many is both unfair and anti-growth. It distorts investment, diverting creative energies into tax avoidance. And it makes the tax code even less comprehensible to the average American.

Our tax code must produce sufficient revenue to finance our defense and allow for investment in our future, and we will ask every America to pay his or her fair share. But by broadening the tax base, simplifying the tax code, lowering rates, and eliminating unnecessary, unfair and unproductive deductions and tax expenditure, we can raise the revenues we need and promote growth without increasing the burden on average taxpayers.

Ronald Reagan's tax program gave huge breaks to wealthy individuals and to large corporations while shifting the burden to low and moderate income families. The Democratic Party is pledged to reverse these unsound policies.

We will cap the effect of the Reagan tax cuts for wealthy Americans and enhance the progressivity of our personal income tax code, limiting the benefits of the third year of the Reagan tax cuts to the level of those with incomes of less than $60,000.

We will partially defer indexation while protecting average Americans.

We will close loopholes, eliminate the preferences and write-offs, exceptions, and deductions which skew the code toward the rich and toward unproductive tax shelters. Given the fact that there has been a veritable hemorrhage of capital out of the federal budget, reflected in part by the huge budget deficit, there must be a return to a fair tax on corporate income. Under the Reagan Administration, the rate of taxation on corporations has been so substantially reduced that they are not contributing their fair share to federal revenues.

We believe there should be a 15% minimum corporate tax. In addition, our tax code has facilitated the transfer of capital from the United States to investments abroad, contributing to plant closing without notice in many communities and loss of millions of jobs. We will toughen compliance procures to reduce the $100 billion annual tax evasion.

Our country must move to a simpler, more equitable, and more progressive tax system. Our tax code can let the market put our country's savings to the best use. There must be a fair balance between corporate and personal tax increases. Wealthier taxpayers will have to shoulder a greater share of the new tax burdens. Economic distortions must be eliminated.

[**1980**](http://www.presidency.ucsb.edu/ws/?pid=29607)

Two tax cuts have been enacted, in 1977 and 1978, reducing taxes on individuals and businesses by an amount equal, this year, to about $40 billion…

Tax Reductions—We commit ourselves to targeted tax reductions designed to stimulate production and combat recession as soon as it appears so that tax reductions will not have a disproportionately inflationary effect. We must avoid untargeted tax cuts which would increase inflation. Any tax reduction must, if it is to help solve pressing economic problems, follow certain guiding principles:

—The inflationary impact must be minimized;

—Reductions provided to individuals must be weighted to help low and middle income individuals and families, to improve consumer purchasing power, and to enhance a growing economy while maintaining and strengthening the overall progressive nature of the tax code;

—Productivity, investment, capital formation, as well as incentives, must be encouraged, particularly in distressed areas and industries;

—The effect on our economy must be one which encourages job formation and business growth…

To revive productivity and revitalize our economy, we need a national effort to strengthen the American economy. It must include new tax depreciation rules to stimulate selective capital investment; a simplified tax code to assist business planning; removal of governmental regulations which are unnecessary and stifle business initiative; effective incentives for saving that do not discriminate against low and middle income taxpayers; …

The Democratic Party, therefore, commits itself …to end the tax discrimination that penalizes married working couples, and to ensure that women can retire in dignity…

We…stand unalterably opposed to the taxation of any portion of Social Security benefits. Taxing Social Security benefits would mean real hardship for millions of retired Americans. If government needs to expand the tax base, additional taxation should be borne by those most able to pay…

To ensure the availability of choices, the Child Care Tax Credit shall be revised to benefit low and moderate income families…

[**1976**](http://www.presidency.ucsb.edu/ws/?pid=29606)

Tax reform. Economic justice will also require a firm commitment to tax reform at all levels. In recent years there has been a shift in the tax burden from the rich to the working people of this country. The Internal Revenue Code offers massive tax welfare to the wealthiest income groups in the population and only higher taxes for the average citizen. In 1973, there were 622 people with adjusted income of $100,000 or more who still managed to pay no tax. Most families pay between 20 and 25 per cent of their income in taxes.

We have had endless talk about the need for tax reform and fairness in our federal tax system. It is now time for action.

We pledge the Democratic Party to a complete overhaul of the present tax system, which will review all special tax provisions to ensure that they are justified and distributed equitably among our citizens. A responsible Democratic tax reform program could save over $5—billion in the first year with larger savings in the future.

We will strengthen the internal revenue tax code so that high income citizens pay a reasonable tax on all economic income.

We will reduce the use of unjustified tax shelters in such areas as oil and gas, tax-loss farming, real estate, and movies.

We will eliminate unnecessary and ineffective tax provisions to business and substitute effective incentives to encourage small business and capital formation in all businesses. Our commitment to full employment and sustained purchasing power will also provide a strong incentive for capital formation.

We will end abuses in the tax treatment of income from foreign sources; such as special tax treatment and incentives for multinational corporations that drain jobs and capital from the American economy.

We will overhaul federal estate and gift taxes to provide an effective and equitable structure to promote tax justice and alleviate some of the legitimate problems faced by farmers, small business men and women and others who would otherwise be forced to liquidate assets in order to pay the tax.

We will seek and eliminate provisions that encourage uneconomic corporate mergers and acquisitions.

We will eliminate tax inequities that adversely affect individuals on the basis of sex or marital status.

We will curb expense account deductions.

And we will protect the rights of all taxpayers against oppressive procedures, harassment and invasions of privacy by the Internal Revenue Service.

At present, many federal government tax and expenditure programs have a profound but unintended and undesirable impact on jobs and on where people and business locate. Tax policies and other indirect subsidies have promoted deterioration of cities and regions. These policies should be reversed.

There are other areas of taxation where change is also needed. The Ford administration's unwise and unfair proposal to raise the regressive social security tax gives new urgency to the Democratic Party's goal of redistributing the burden of the social security tax by raising the wage base for earnings subject to the tax with effective exemptions and deductions to ease the impact on low income workers and two-earner families. Further revision in the Social Security program will be required so that women are treated as individuals.

The Democratic Party should make a reappraisal of the appropriate sources of federal revenues. The historical distribution of the tax burden between corporations and individuals, and among the various types of federal taxes, has changed dramatically in recent years. For example, the corporate tax share of federal revenue has declined from 30 per cent in 1954 to 14 per cent in 1975.

[**1972**](http://www.presidency.ucsb.edu/ws/?pid=29605)

…[W]e are determined that government no longer tax the product of hard work more rigorously than it taxes inherited wealth, or money that is gained simply by having money in the first place.…

Business has lost more in profits than it has gained from this Administration's business-oriented tax cuts.…

To assure jobs and economic security for all, the next Democratic Administration should support:…

Tax reform directed toward equitable distribution of income and wealth and fair sharing of the cost of government;..

Closing tax loopholes that encourage the export of American jobs by American-controlled multi-national corporations;..

**Tax Reform**

The last ten years have seen a massive shift in the tax burden from the rich to the working people of America. This is due to cuts in federal income taxes simultaneous with big increases in taxes which bear heavily on lower incomes—state and local sales and property taxes and the payroll tax. The federal tax system is still grossly unfair and over-complicated. The wealthy and corporations get special tax favors; major reform of the nation's tax structure is required to achieve a more equitable distribution of income and to raise the funds needed by government. The American people neither should nor will accept anything less from the next Administration.

The Nixon Administration, which fought serious reform in 1969, has no program, only promises, for tax reform. Its clumsy administrative favoring of the well-off has meant quick action on corporate tax giveaways like accelerated depreciation, while over-withholding from workers' paychecks goes on and on while the Administration tries to decide what to do.

In recent years, the federal tax system has moved precipitously in the wrong direction. Corporate taxes have dropped from 30 per cent of federal revenues in 1954 to 16 per cent in 1973, but payroll taxes for Social Security—regressive because the burden falls more heavily on the worker than on the wealthy—have gone from ten per cent to 29 per cent over the same period. If legislation now pending in Congress passes, pay-roll taxes will have increased over 500 per cent between 1960 and 1970—from $144 to $755—for the average wage earner. Most people earning under $10,000 now pay more in regressive payroll tax than in income tax.

Now the Nixon Administration—which gave corporations the largest tax cut in American history—is considering a hidden national sales tax (Value Added Tax) which would further shift the burden to the average wage earner and raise prices of virtually everything ordinary people buy. It is cruel and unnecessary to pretend to relieve one bad tax, the property tax, by a new tax which is just as bad. We oppose this price-raising unfair tax in any form.

Federal income tax. The Democratic Party believes that all unfair corporate and individual tax preferences should be removed. The tax law is clogged with complicated provisions and special interests, such as percentage oil depletion and other favors for the oil industry, special rates and rules for capital gains, fast depreciation unrelated to useful life, easy-to-abuse "expense-account" deductions and the ineffective minimum tax. These hidden expenditures in the federal budget are nothing more than billions of "tax welfare" aid for the wealthy, the privileged and the corporations.

We, therefore, endorse as a minimum step the Mills-Mansfield Tax Policy Review Act of 1972, which would repeal virtually all tax preferences in the existing law over the period 1974-1976, as a means of compelling a systematic review of their value to the nation. We acknowledge that the original reasons for some of these tax preferences may remain valid, but believe that none should escape close scrutiny and full public exposure. The most unjustified of the tax loopholes should, however, be closed immediately, without waiting for a review of the whole system.

After the implementation of the minimum provisions of the Mills-Mansfield Act, the Democratic Party, to combat the economically-depressing effect of a regressive income tax scheme, proposes further revision of the tax law to ensure economic equality of opportunity to ordinary Americans.

We hold that the federal tax structure should reflect the following principles:

The cost of government must be distributed more fairly among income classes. We reaffirm the long-established principle of progressive taxation —allocating the burden according to ability to pay —which is all but a dead letter in the present tax code.

The cost of government must be distributed fairly among citizens in similar economic circumstances:

Direct expenditures by the federal government which can be budgeted are better than tax preferences as the means for achieving public objectives. The lost income of those tax preferences which are deemed desirable should be stated in the annual budget.

When relief for hardship is provided through federal tax policy, as for blindness, old age or poverty, benefits should be provided equally by credit rather than deductions which favor recipients with more income, with special provisions for those whose credits would exceed the tax they owe.

Provisions which discriminate against working women and single people should be corrected in addition to greater fairness and efficiency, these principles would mean a major redistribution of personal tax burdens and permit considerable simplification of the tax code and tax forms.

Social security tax. The Democratic Party commits itself to make the Social Security tax progressive by raising substantially the ceiling on earned income. To permit needed increases in Social Security benefits, we will use general revenues as necessary to supplement payroll tax receipts. In this way, we will support continued movement toward general revenue financing for social security.

Property tax. Greater fairness in taxation at the federal level will have little meaning for the vast majority of American households if the burden of inequitable local taxation is not reduced. To reduce the local property tax for all American families, we support equalization of school spending and substantial increases in the federal share of education costs and general revenue sharing.

New forms of federal financial assistance to states and localities should be made contingent upon property tax reforms, including equal treatment and full publication of assessment ratios.

Tax policy should not provide incentives that encourage overinvestment in developed countries by American business, and mechanisms should be instituted to limit undesirable capital exports that exploit labor abroad and damage the American worker at home…

The Democratic Party pledges the following:

…Elimination of all tax inequities that affect women and children, such as higher taxes for single women;

[**1968**](http://www.presidency.ucsb.edu/ws/?pid=29604)

Taxes were lowered in 1962, 1964, and 1965 to encourage more private spending and reach full employment; they were raised in 1966 and 1968 to help prevent inflation, but with a net reduction in the eight Democratic years. We will continue to use tax policy to maintain steady economic growth by helping through tax reduction to stimulate the economy when it is sluggish and through temporary tax increases to restrain inflation. To promote this objective, methods must be devised to permit prompt, temporary changes in tax rates within prescribed limits with full participation of the Congress in the decisions.

The goals of our national tax policy must be to distribute the burden of government equitably among our citizens and to promote economic efficiency and stability. We have placed major reliance on progressive taxes, which are based on the democratic principle of ability to pay. We pledge ourselves to continue to rely on such taxes, and to continue to improve the way they are levied and collected so that every American contributes to government in proportion to his ability to pay.

A thorough revamping of our federal taxes has been long overdue to make them more equitable as between rich and poor and as among people with the same income and family responsibilities. All corporation and individual preferences that do not serve the national interest should be removed. Tax preferences, like expenditures, must be rigorously evaluated to assure that the benefit to the nation is worth the cost.

We support a proposal for a minimum income tax for persons of high income based on an individual's total income regardless of source in order that wealthy persons will be required to make some kind of income tax contribution, no matter how many tax shelters they use to protect their incomes. We also support a reduction of the tax burden on the poor by lowering the income tax rates at the bottom of the tax scale and increasing the minimum standard deduction. No person or family below the poverty level should be required to pay federal income taxes.

Our goal is a balanced budget in a balanced economy. We favor distinguishing current operating expenditures from long term capital outlays and repayable loans, which should be amortized consistent with sound accounting principles. All government expenditures should be subject to firm tests of efficiency and essentiality.

An effective policy for growth and stability requires careful coordination of fiscal and monetary policies. Changes in taxes, budgets, interest rates, and money supply must be carefully blended and flexibly adjusted to assure:

Adaptation to changing economic conditions;

Adequate supplies of money and credit for the expansion of industry, commerce, and housing; Maintenance of the lowest possible interest rates;

Avoidance of needless hardships on groups that depend heavily on credit.

Cooperation between fiscal and monetary authorities was greatly strengthened in the past eight years, and we pledge ourselves to continue to perfect this cooperation…

We will also enact legislation providing tax incentives for new business and industrial enterprises in the inner city…

Since 1961, we have seen:

…[O]n the eight year average, a reduction in the rate levels of the individual income tax

[**1964**](http://www.presidency.ucsb.edu/ws/?pid=29603)

We will seek further tax reduction—and in the process we need to remove inequities in our present tax laws. In particular we should carefully review all our excise taxes and eliminate those that are obsolete. Consideration should be given to the development of fiscal policies which would provide revenue sources to hard-pressed state and local governments to assist them with their responsibilities…

Our present prosperity was brought about by the enterprise of American business, the skills of the American work force, and by wise public policies.

The provision in the Revenue Act of 1962 for a credit for new investment in machinery and equipment, and the liberalization of depreciation allowance by administrative ruling, resulted in a reduction of $2.5 billion in business taxes.

The Revenue Act of 1964 cut individual income taxes by more than $9 billion, increasing consumer purchasing power by that amount; and corporate taxes were cut another $2.5 billion, with the effect of increasing investment incentives. Overall individual Federal income taxes were cut an average of 19 percent; taxpayers earning $3,000 or less received an average 40 percent cut…

In 1960, we promised—…

"We shall collect the billions in taxes which are owed to the Federal Government but are not now collected."

To handle additional work in income tax collection, 3,971 new employees were added to the Internal Revenue Service by the Congress in fiscal 1961; 2,817 new positions were added in fiscal 1963; and about 1,000 more in fiscal 1964. The additional revenue which these employees will produce will far exceed the cost of their employment.

[**1960**](http://www.presidency.ucsb.edu/ws/?pid=29602)

The new Democratic Administration will plan for an orderly shift of our expenditures. Long-delayed reductions in excise, corporation, and individual income taxes will then be possible…

Industries and communities affected by foreign trade need and deserve appropriate help through trade adjustment measures such as direct loans, tax incentives, defense contracts priority, and re-training assistance…

[I]f recessionary trends appear, we will act promptly with counter-measures, such as public works or temporary tax cuts. We will not stand idly by and permit recessions to run their course as the Republican Administration has done…

We believe…that except in periods of recession or national emergency, [our needs at home and in our world relationships] can be met with a balanced budget, with no increase in present tax rates, and with some surplus for the gradual reduction of our national debt…

We further propose a tax credit to encourage small contributions to political parties…

[W]e shall close the loopholes in the tax laws by which certain privileged groups legally escape their fair share of taxation.

Among the more conspicuous loopholes are depletion allowances which are inequitable, special consideration for recipients of dividend income, and deductions for extravagant "business expenses" which have reached scandalous proportions…

Much of the challenge of the 1960s, however, remains unforeseen and unforeseeable. If, therefore, the unfolding demands of the new decade at home or abroad should impose clear national responsibilities that cannot be fulfilled without higher taxes, we will not allow political disadvantage to deter us from doing what is required.