

FairTax: Returning Jobs to America

America, and Ohio in particular, is bleeding jobs. Every week, we hear stories of factories closing, and hundreds of jobs being shipped overseas.

But America doesn't have to lose those jobs, at least not all of them. While some may be lost due to shifting markets and globalization, most job losses are directly attributable to an anti-business climate and a punitive tax code. With the second highest business taxes in the world, the IRS and Congress is forcing jobs off-shore at an alarming rate

The FairTax would stop this foolishness. Under the FairTax, the business tax rate goes to zero. Under the FairTax, embedded taxes go to zero. Companies operating in the United States would see an immediate reduction in the raw material costs, and would pay zero taxes on their operations. It is estimated that, under the FairTax, US goods would be roughly 25% cheaper.

This means that US exports would be able to dominate world markets. Instead of low-cost Chinese, Japanese, or Korean goods, American goods would be able to compete on price around the world. And as exports increase, US companies would stop building factories in other countries, and move them back to America in order to reduce costs. Foreign companies, in order to take advantage of the favorable business tax rate, would locate new production facilities in the US.

And with those factories would come jobs. Jobs that had been lost to lower cost countries would be returned to the US, because we would now be the low-cost location. New jobs would result from the increased economic activity both here and in exports.

Americans can either keep the current ruinous system of income and business taxation, and whine as our jobs are sent to foreign lands, or we can make a real change, implement the FairTax, and rebuild America into the manufacturing giant it once was.