

How Could We Improve the Federal Tax System?

COMPREHENSIVE TAX REFORM

What is comprehensive tax reform?

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A. The term refers to broad, sweeping changes to the tax system. What qualifies as “comprehensive” is a judgment call.

Rather than taking a piecemeal approach, making small changes to provisions of the tax code, comprehensive reform would address the inequities, complexities, and inefficiencies of the entire tax system. The last comprehensive reform to the US tax system took place in 1986, when the Tax Reform Act lowered income tax rates and broadened the tax base.

Some more recent proposals are more of the same, broadening the tax base to lower tax rates without lowering revenue. Other proposals would scrap the current system entirely, replacing the income tax with a consumption-based tax system. But the broad goals of greater fairness, efficiency, and simplicity remain the same.

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Further Reading

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