

The Rise and Fall of a Basic Income Guarantee Bill in the United States Congress

By Al Sheahen

Abstract:

On May 2, 2006, the first-ever Basic Income Guarantee bill, written by USBIG members Karl Widerquist and Al Sheahen, was introduced in the U.S. Congress by California Congressman Bob Filner. This paper details how the bill (HR 5257) – dubbed “The Tax Cut For the Rest of Us” Act – was created, the strategy used to move it forward, the support it received, the resistance it faced, its eventual demise in the 109th Congress, its revival in the 110th Congress, the current state of the bill, and the outlook for a BIG bill in the future.

February 2002: At the 1st USBIG Conference in New York City, Stanley Aronowitz, one of the founders of USBIG and Distinguished Professor at the CUNY Graduate Center, told the Conference audience that USBIG needed a Basic Income Guarantee bill in the U.S. Congress. The purpose of the bill would be to act as a vehicle to hang our hats on and to use to as a rallying point to generate support for the idea of a BIG. Following the Conference, I told Stanley developing a bill seemed like a difficult thing for a group like ours to do, but that I, for one, was willing to work on it.

February, 2004: Following the 3rd USBIG Conference in Washington, D.C., Stanley reiterated his call for a BIG bill. We agreed that many groups with legislative agendas take an opposite path; for example, they might try to involve legislators early on by meeting with them -- *before* drafting a bill -- to encourage their input. There seems to be no one “best” way to do it, so you try whatever might work.

April, 2004: Stanley, Eri Noguchi, Michael Lewis and I met in Stanley’s CUNY office to discuss writing and promoting a bill. Stanley said he would write a draft. However, he subsequently became busy with personal matters and was unable to do it.

June, 2004: While visiting the office of Congressman Bob Filner, a California Democrat who represents the areas of South San Diego County and Imperial County, I casually asked him if he would like to introduce a BIG bill. To my surprise, he said yes. That good news was tempered by the fact that our USBIG group would now have to create a sensible proposal which Filner could translate into a bill. An awesome task, it seemed to me.

July, 2004: I contacted the USBIG Committee members to request their ideas and suggestions. In mid-summer, USBIG Director Karl Widerquist came up with the idea to transform the existing standard income tax deduction into a standard “refundable” income tax credit. He and I went back and forth, via email, grinding some figures and experimenting with different levels of potential tax credits.

August, 2004: Through trial and error, Karl and I arrived at the figures of a an annual \$2000 tax credit per adult and \$1000 per child. This would not be a “full BIG” or a “big BIG,” at the poverty level of about \$10,000 per adult. But Karl’s idea had a certain logical appeal in this tough political climate as a moderate BIG bill that might just draw some political support. We called it a “refundable standard tax credit,” or STC. (This proposal became USBIG Discussion Paper No. 93.)

The logic was that, for 20 years, Congress and the American taxpayers have grown used to the idea of “refundable” tax credits, such as the Earned Income Tax Credit and the “Additional Child Tax Credit.” Making the standard deduction and personal exemption refundable could be seen, not as a revolutionary concept, but as a logical next step. It might be easier to sell the concept of a refundable STC than a straight BIG or even a negative income tax.

The plan would fulfill USBIG’s goal of establishing a BIG for everyone, not just for the poor. It would be similar to the Alaska Permanent Fund, rather than the NIT plans of the 1960s. There would be no means test and no work requirement. The STC would be available to everyone, rich or poor, similar to Social Security, which enjoys wide support. (The NIT goes only to those who need it, similar to welfare, which does *not* enjoy wide support. Some say the NIT is a more conservative approach than a BIG, but it requires a means test, which adds to administrative costs and perpetuates the “us vs. them” mentality of the current welfare system.)

The plan was simple. We would add a line to the bottom of the federal income tax forms 1040, 1040A, and 1040EZ. We would call it the “Standard Tax Credit.” The amount would be \$2000 for each adult filer and \$1000 for each eligible child. We would eliminate the “personal exemption” line on the forms. We would eliminate the “standard deduction” line, but leave the “itemized deductions” line. Anyone who itemized deductions would not be eligible for the STC. We would keep the current federal income tax rates the same. We would not change any existing welfare programs or existing tax credits. The cost of the bill was still to be determined, but our hope was that it could be financed by rolling back the Bush tax cuts for the wealthiest Americans – the plan proposed by Presidential candidate John Kerry – which reportedly cost the Treasury \$224 billion per year.

The current income tax system is: Adjusted Gross Income (AGI) less standard deduction less personal exemption = taxable income X tax rate = tax. Our plan would change it to: Adjusted Gross Income X tax rate = gross tax less STC = net tax or net credit.

The plan would fulfill three goals: 1) the lower a person’s income, the better off he or she would be compared to the current tax system; 2) virtually no one who made under about \$75,000 per year would pay more tax; 3) the tax increase for those who made more than about \$75,000 per year would not be excessive.

Here’s one quick example of how the STC would work for a single person, using 2005 tax rates.

Current tax system: AGI (\$10,000) less standard deduction (\$5000) less personal exemption (\$3200) = taxable income (\$1800) X current tax rate (10% of first \$7000) = current tax (\$180).

The new STC plan: AGI (\$10,000) X current tax rate (10% of the first \$7000; 15% of the next \$3000) = gross tax (\$1139) less STC (\$2000) = net credit (\$861).

Thus, under the current system, a single person earning \$10,000 pays \$180 income tax. Under the new plan, the individual would get a tax “refund” of \$861, a difference of \$1041.

Under the current tax system, a person who has no income at all gets no credits at all. Under the new plan, he or she would get \$2000, a difference of \$2000.

The important point about the STC is that it would be universal – everyone files a tax return, everyone gets a tax credit, and everyone, with any income at all, pays primary taxes. There would be no means test (other than the declaration of income on the tax return), no work requirements, and no criteria for eligibility other than a purely economic one. The poor would not be stigmatized or segregated from the rest of the population.

The bill would fulfill the belief that placing a floor under all incomes by means of a universal refundable standard income tax credit combined with a full employment policy and national health insurance is the best approach to preventing and eradicating poverty.

November, 2004: I called Congressman Filner’s Chula Vista office and he agreed to meet with me shortly after the election, the results of which were very disappointing to both of us. Filner has been in favor of the concept of a BIG since his student days. In 1961, he joined the first Freedom Rides to desegregate transportation facilities in southern states. He was arrested and imprisoned for several months in Mississippi. He has consistently fought to uphold civil and human rights for every person in the United States. I gave him the proposal. He said he would look it over and get back to me.

January, 2005: After six weeks, I heard from Filner’s Legislative Director, Thaddeus Hoffmeister. He informed me Filner had turned the proposal into the “Legislative Counsel’s Office” to be put into legal language. This, I learned, is standard procedure for creating an actual bill. Generally, a legislator presents an idea to the lawyers, who draft the bill to dovetail it to the current respective law. However, I also learned that the LC *does not* calculate cost figures for any bill. That’s up to the sponsors.

February, 2005: The Legislative Counsel’s office sent back 12 very technical tax questions to Filner, such as:

- 1) Section 63(b)(3) and (f) of the Internal Revenue Code (1986) provides for an additional standard deduction for the aged and the blind. What is your policy regarding this?
- 2) The exemption amount for dependents has a gross income limitation and applies to different aged dependents depending on status as a student (age 19 to 24). Section 151 (c). What is your policy here?
- 3) Likewise, what is your policy regarding handicapped dependents and missing children?
- 4) Section 151(d) defines rules relating to the exemption amount. What happens if a dependent can be claimed by another taxpayer? Is there a phaseout? If so, what is it? Are the phaseout amounts (if any) adjusted for inflation?

Hoffmeister naturally passed the questions along to me. For two weeks, Karl and I kicked the questions around and formally answered them as best we could.

March, 2005: Following the 4th USBIG Conference in New York City, Karl, Steve Shafarman and I met with Hoffmeister in Filner's office in Washington. We sensed we were in trouble when Hoffmeister, who turned out to eventually be a good guy, asked us: "What's the Earned Income Tax Credit?" For a legislative aide to be unaware of a major federal anti-poverty program surprised us. We walked him through the basics of the EITC. He further surprised us by saying we had to find a Republican co-sponsor for the bill. Otherwise, it would "go nowhere." Even though we knew this would be virtually impossible, we agreed to try.

April & May, 2005: A small sub-group of USBIG volunteers – Jason Murphy, Sara Dustin, and myself -- emailed 22 Republican legislators, 18 House members and four Senators (Collins, Snowe, Voinovich, and Chafee), whom we thought might be sympathetic to our plan. None of the 22 replied, so we followed up with at least one – and sometimes two – phone calls to each office. Of those 22 calls, 16 did not reply. Of the six aides who we did reach:

- a. Two said their legislators wanted tax reform, but in a major way, not piecemeal.
- b. One said he wouldn't deal with anyone from outside his district, but he would talk to Filner's office if they called.
- c. Three said they would talk to their legislator about it. None of those three replied.

Of the six, three asked: 'How would you pay for it? Eventually, as we suspected, none of the 22 Republicans agreed to sign on. Trying to get a Republican co-sponsor in that political climate was a futile exercise from the start. But we felt we had to jump through that hoop to maintain our integrity with Filner.

May, 2005: Stanley and I met near San Diego, where he had given a speech at San Diego State University. As usual, he was very helpful with his advice and suggestions. We agreed that, if we couldn't get any co-sponsors for our moderate STC bill, we should forget about it and go, instead, for a full BIG bill of \$10,000 – the poverty level for one person. Karl subsequently concurred with this idea. We would certainly not be able to get a Republican co-sponsor for a full BIG bill, but we would ask Filner to move forward with it, anyway, so that we could have a bill in Congress to organize around.

In other words, we originally thought, back in 2004, that the STC was a modest proposal which might find some support if Kerry won the Presidency. But the political climate in 2005 was unforgiving. So, since we couldn't find much support for our modest proposal, why not scrap it and go for what we really need – a full BIG at the poverty level?

I learned that there are many bills which are introduced without bi-partisan support. True, they go nowhere, but they serve as an organizing tool and as a discussion point for their supporters.

June, 2005: As an aside, I submitted four tax proposals to the President's Tax Reform Panel, a high-powered group that solicited about 2000 submissions from throughout the country and held eight hearings in various locations. One proposal was the \$2000 STC, one was a full BIG, one was a Caregiver's Credit, and one proposed making the Child Tax Credit fully refundable. I offered to testify, but, needless to say, they didn't call me. Most of the 30 or so people who did testify were government, economic, and academic heavyweights. Most people in Congress called the Tax Panel "a sham."

July, 2005: I spent a month drawing up a proposal for a full BIG bill of \$10,000 per adult and \$2000 per child, showing how it could be completely paid for. It would involve a major simplification of the tax code. (This proposal became USBIG Discussion paper No. 144.)

September, 2005: I met with Filner in his Chula Vista office. He was friendly and said he was genuinely concerned that we need something to alleviate poverty in America. I told him as long as we couldn't get any Republican co-sponsors for the small BIG bill, why not go for broke and go for the big BIG bill? I gave him our proposal. He seemed skeptical of the bigger bill, but said he would read it and think about it. In essence, he said: "don't call me; I'll call you."

December, 2005: After 90 days, I heard from Hoffmeister. He said the Legislative Counsel's office was moving forward with language for the small BIG bill. I was stunned, since I thought Filner had dropped the idea of our STC bill since we couldn't get any Republican co-sponsors. Hoffmeister made no mention of the big BIG bill, so I assumed the big bill was too radical for even Filner. Attached was an actual bill for our STC proposal of 13 months earlier. The LC's office was asking us to look it over and suggest any changes. Hoffmeister asked us to write a statement of about 500 words on what the bill does. He repeated the need for at least one Republican co-sponsor.

One reason for the long delays between action is that none of the social welfare groups were involved in this, so Filner got no push from anyone except us. USBIG is really only an academic discussion group. It makes no pretense of having any political expertise or trying to get anything done, politically. So a few of us activists were really just working on our own.

January, 2006: Hoffmeister asked if it would be better to introduce the bill at the time of the USBIG Convention in Philadelphia, or on April 15 – tax day. We agreed we might be able to get some publicity if we did it on April 15.

February, 2006: It was still hard to believe this would actually happen. To maintain our credibility, I sent Hoffmeister an updated version of our tax examples, using current 2005 IRS tax rates. For backup material, I added a couple of tax examples in the appendix, to bolster our case if Filner was asked questions by the media or anyone else.

Following the 5th USBIG Convention in Philadelphia, Steve and I met with Hoffmeister in Washington to plan strategy and firm up details. During the week, I met with the aides of three more Republican legislators in the faint hope of getting a co-sponsor: Rep. Jim Leach, IA; Sen. George Allen, VA; and Rep. John Linder, GA. None would become a co-sponsor. The preppy aide to Allen, who opposes even the idea of Social Security, almost bodily threw me out the door. I took great personal satisfaction when Senator Allen was bounced out of office in the November election.

I had an interesting 20-minute visit with Linder's aide, Bill Evans. Linder had obtained 49 co-sponsors (all Republicans, no Democrats) for HR-25, his "Fair Tax Plan." Linder promoted the bill heavily. Conservative talk-show host Neal Boortz wrote a book about it. The plan would wipe out the income tax and substitute a retail sales (consumption) tax of 23% on all goods and services. The bill contained a basic income guarantee of about \$1800 for single people and more for people with children.

I also talked for 20 minutes with Jaron Bourke, the Legislative Director for Congressman and presidential candidate Dennis Kucinich, a Cleveland Democrat. He had introduced HR 3655, the “Family Tax Credit Bill,” which would combine the Earned Income Tax Credit and Child Tax Credit, but would not give any benefits to those with no incomes, as our bill would. Bourke was sympathetic to our efforts. HR 3655 only had a couple of Democratic co-sponsors and no Republican co-sponsors. He acknowledged the bill would not pass in 2006, but said Kucinich felt it was worthwhile to draw it up and submit it, anyway. “It gets people talking and helps move the debate forward,” Bourke said.

I also met with aides to several other legislators, including Jesse Jackson, Jr., Rahm Emmanuel, Bernie Sanders, Ron Wyden, Barbara Boxer, and Dianne Feinstein to inform them of our upcoming bill.

To further try to drum up support for our bill, I visited with 16 social welfare lobbying and research groups, including the American Friends Service Committee, Kids Connect, OMB Watch, Common Cause, Coalition on Human Needs, Children's Defense Fund, Network, Center for Budget and Policy Priorities, Bread for the World, Citizens for Tax Justice, Institute for Economic Policy, One America (John Edwards' group), Center for Community Change, RESULTS, and Friends Committee on National Legislation. Most of these groups felt we were on the right track, but they were spending virtually all of their time and energy playing defense – trying to stop proposed Bush Administration cuts to existing food and welfare programs.

March, 2006: Hoffmeister said Filner wanted a catchy title for the bill. I suggested 20 possible titles, including “A Tax Cut for the Poor Act,” “The Poverty Reduction Act,” “The Fighting Poverty Act,” “The Standard Tax Credit Act,” “The Economic Justice for All Act,” “The Leave Poverty Behind Act,” “The Basic Income Guarantee Act,” “The One Small Step to End Poverty Act,” “The Safety Net for All Act,” “The No Person Left Behind Act.” Filner eventually chose a title suggested by Steve Shafarman: “The Tax Cut for the Rest of Us Act.”

Steve's arguments were persuasive: “The bill doesn't just help the poor. It would provide a small benefit to everyone who earns less than about \$70,000 per year. That's more than the median income. Using the words ‘poverty’ or ‘the poor’ has some merit in that we make it clear we're tackling that issue. Yet programs that are only targeted at the poor sometimes have limited appeal to many ordinary Americans. We want to emphasize that this will help most ordinary working people – the majority.”

April, 2006: I called Filner's press secretary and volunteered to help organize a news conference to announce the introduction of the bill. I feared this was a naïve request. The press person was polite but never returned my follow-up calls or emails. There are roughly 8000 bills introduced in any given Congress. If a news conference were called to introduce each of them, the media would never show up. Due to legislative scheduling, the April 15 date came and went without the bill being introduced.

I noticed that Filner had already introduced 36 bills in the 109th Congress. I asked Hoffmeister if anything had happened to any of them. He said: “No major action yet on the 36 bills.”

May 2006: On May 2, Filner formally introduced the Tax Cut for the Rest of Us Act. It was given the number HR 5257, meaning more than 5000 bills had been previously introduced in the 109th Congress. It was subtitled: “To amend the Internal Revenue Code of 1986 to provide a

basic income guarantee in the form of a refundable tax credit for taxpayers who do not itemize deductions.” The bill was immediately referred to the House Committee on Ways and Means.

The Congressional system provided an electronic link to Filner’s statement, to the pages in the Congressional Record in which his speech appeared, and to a copy of HR 5257, itself.

At this point, our goal was to try to get as many Democratic Congressional co-sponsors as we could, and to try to get support from like-minded non-profit organizations.

Our larger purpose would be to begin to seriously educate activists, legislators, and voters on the wisdom of a full BIG at the poverty level of \$10,000, so that when the political climate changed, the topic of a Basic Income Guarantee would be back on the political table, from where it’s been missing the past 30 years.

Meanwhile, Charles Murray, the darling of the Libertarians and the author of the 1984 book: *Losing Ground*, which said welfare does more harm than good, had apparently done a 180 and was recommending, in his new book: *In Our Hands*, a \$10,000 annual BIG. His plan would be more restrictive than our ideal proposal, but it certainly gave more credibility to the overall BIG movement.

As an important aside, the seven-term Filner was engaged in a very tough Democratic primary campaign. In 2000, the California legislature had gerrymandered Filner out of his safe and familiar 51st San Diego district and given him, instead, the entire California/Mexico border of Imperial County. The 51st District’s population is 53 percent Latino, 21 percent Anglo, 15 percent Asian and 11 percent Black.

Filner was being challenged by a well-known and termed-out Assemblyman, Juan Vargas, who was attacking Filner as too liberal for the district. Vargas was smearing Filner’s wife, Jane, in a television-commercial barrage. I sometimes felt if it got out that Filner had just introduced a BIG bill, it could hurt him politically. Yet he did it anyway.

June, 2006: After I attended my nephew’s high school graduation in Connecticut, I met with five New York USBIG members in Stanley’s office: Michael, Eri, Stanley, Theresa Funicello, and Diane Pagen, to discuss how to promote HR 5257.

- 1) We agreed we could use HR 5257 as an entrée to discussing a BIG with legislators and groups that might not otherwise talk to us.
- 2) Michael volunteered to contact folks at Stonybrook and Hunter to try to schedule some forums on BIG in general and HR 5257 in particular.
- 3) Everyone agreed HR 5257 needed Republican co-sponsors or it would go nowhere and lose credibility. Theresa said she would contact Stuart Butler at the Heritage Foundation to see if there were Republican legislators whom we could visit to persuade them to become co-sponsors of HR 5257. Stanley suggested moderate Republicans, such as Sherwin Boehlert of Rochester and Chris Shays of Connecticut, might be recruited.
- 4) Stanley suggested we try to get on Brian Lehrer’s show and we should contact Air America Radio.

- 5) We all agreed the political climate would not allow HR 5257 to be passed in the 109th Congress, but our immediate goal was to get support for the idea, so that when the political climate changed, we'd be in a better position to push the idea forward.
- 6) Stanley suggested we form a 501c3 (non-profit) organization. I volunteered to write a proposal for a grant. Stanley said he would send me the guidelines to use in writing the proposal – form, style, etc. If we could raise some money, we might become a wing of one of the existing Washington lobbying groups. In other words, set up an office in their building, with our own computer, staff, etc.

Following the NYC meeting, I traveled to Washington to meet with Hoffmeister and others. The good news was that Filner won his election with 52% of the vote to 41% for Vargas. We learned that HR 5257 already had one co-sponsor, Jesse Jackson, Jr.

During the week, I saw or spoke to 32 people and tried unsuccessfully to reach 13 others. Steve joined me for 15 of those visits. We passed out packets, including Filner's statement, a summary of HR 5257, a one-page fact sheet, and other relevant materials on BIG.

My overall impression was that we achieved a good deal, but that this was tough slogging. Most everyone we met was friendly and empathetic. But many felt that BIG, in general, and HR 5257, in particular, were non-starters in this political climate. No surprise, there.

We stated, up front, that there was no chance of HR 5257 passing in 2006. But that if the Democrats could win the House or Senate in November, the political climate could change dramatically. We said we wanted to get support for HR 5257 so we would be ready next year. Several people agreed with that assessment, but some were skeptical that things would change all that much, even with Democrats in charge.

Three Congressional aides thought HR 5257 was "brilliant." Many others also liked the idea, but felt the cost – estimated at an annual \$186 billion by Citizens for Tax Justice – was too steep. Despite the Republicans' cavalier attitude towards deficit spending, the current sentiment in Washington was that nothing would pass unless it was "revenue-neutral." And even though most of the people we called on were liberal-minded, some questioned whether "paying people not to work" was the way to go.

Prior to my trip, I had sent out about 200 emails to Congressional aides, advising them of HR 5257 and asking for a meeting, but I wound up with only 15 interviews. I learned that a lot of people in Washington don't return emails or phone calls.

Of the 15 Congressional aides we saw, 12 represented California legislators. They agreed to meet with us mainly because I was from California. Most legislators don't take the time to see non-constituents or visitors from another state.

Generally, people over age 50 were familiar with BIG and the Negative Income Tax legislation of the 1970s. But those under 50 had never heard of the BIG idea, and had to be carefully walked through the idea.

We learned that huge amounts of time, money, and energy are spent on lobbying for anti-poverty programs. For example, nearly 100 people showed up for a weekly meeting to discuss how to protect millions – not billions – of dollars in funds for TANF (the main welfare program) and nutrition programs. We learned that these people form a large constituency for these social programs, and may not take kindly to our eventual goal of substituting a BIG for many welfare programs.

A few pessimistic people said that the BIG idea might have been viable in the 1960s, but not now. They said that, since 1980, the Republicans have successfully destroyed much of the New Deal; that we are headed – if not already there – for a new Gilded Age. They felt BIG is hopeless while the current political mood exists. We pointed out that 2006 could be the peak of the Republican assault on the New Deal, and the climate would, indeed, change for the better, and soon. However, a few felt things had gone too far; that the middle-class is rapidly disappearing, and that we would never return to the Roosevelt era, when tax rates of 70% to 91% on wealthy individuals were the norm.

I was naively hoping someone – anyone – in Washington would jump on our idea and offer their expertise and experience to guide us onward and upward. That didn't – and hasn't – happened. So we're still on our own.

I suggested to Hoffmeister that Filner send what is called a “Dear Colleague” letter to his fellow legislators. Filner did so, urging colleagues to “Join Me in Co-Sponsoring HR 5257.”

July, 2006: I wrote an op-ed article on BIG in general and HR 5257 in particular. I sent it to about 25 publications, but none of them picked it up. I ghost-wrote an op-ed piece for Filner, but I never heard if it was printed by any publication. One of the non-profit groups I had met with – RESULTS – displayed the bill on its “CAPWIZ” web site, encouraging members to write their legislators asking for their support. I know several members did just that.

August, 2006: This became a very discouraging time. Of the 32 follow-up emails I sent to those people Steve and I visited in June, only two bothered to reply. Despite the enthusiasm of some of the Congressional aides at our face-to-face meetings in June, none of them were able to convince their legislator to become a co-sponsor. Of about 15 follow-up phone calls I made, not one person would take or return my call. The conventional wisdom is that they are simply too busy with their own pet projects to get involved with anything else.

The resistance to the idea was surprisingly stiff. I personally spoke to both of my Congressmen in the San Fernando Valley area at Town Hall meetings. Both Howard Berman (CA-28) and Brad Sherman (CA-27) implied they would become co-sponsors and asked me to follow up with their aides. But neither signed on. Berman said he didn't want to sign on as only the second co-sponsor. Sherman said the same, adding he didn't want to support anything that cost any money.

In other words, if there had been 20 or 30 co-sponsors, each would have felt less reluctance to join in. But no one except Jackson seemed courageous enough to be one of only a few signers-on. It was easy to see why Kucinich couldn't get many co-sponsors for his tax bill. It seems to be a chicken and egg thing.

Even in one-on-one conversations with friends and acquaintances, I found surprising resistance to the BIG idea. It seems everyone knows of at least one “despicable” person in their world.

The thought of giving taxpayer money to that person is more than they can stomach. Being a single man, I was fixed up by a friend for a coffee date, where we discussed BIG. The woman thought the idea was so loony that she refused to see me for a second date. She assumed I must be loony, too.

Another problem with this is we are still at the point where the political powers that be, including most of the press, have yet to acknowledge that poverty is a problem, which is a prerequisite to getting them to focus on solutions.

November, 2006: The Democrats won both houses of Congress, giving new hope to positive measures such as HR 5257. Hoffmeister wrote: “As you can see, getting a bill passed in Congress can be very difficult. Things should get better in the next Congress. As for re-introducing the bill, I will have to check with the Congressman. In the meantime, I recommend that you continue your efforts in generating support for the bill. Finally, if nothing else, you should be quite proud of your ability and hard work to get a bill introduced in Congress and have someone co-sponsor it. A lot of people never even get that far.”

December, 2006: I finally had an op-ed piece on BIG and HR 5257 published in the Los Angeles Daily News (circ. 209,000).

January, 2007: Will Filner re-introduce HR 5257 in the new 110th Congress? And if he does, what will our strategy be? Who can we approach for support? What’s the point of having a BIG bill in Congress if it just lies there and dies? Are we wasting our time?

Steve button-holed Filner after a public meeting of the Progressive Caucus. Filner said yes, he wanted to re-introduce the bill. I wrote to Hoffmeister, urging him to double-check with Filner and get the wheels rolling. The email was returned “undeliverable.” Hoffmeister was no longer Filner’s legislative director. I should have expected that. One of the things that make Washington lobbying so difficult for amateurs like us is that the turnover on the Hill is enormous. Even the most senior staffers often leave after only a couple of years.

February, 2007: I learned Filner’s new Legislative Director was Sharon Wagener. The office refused to give me her email address. So I faxed her but did not receive a response. I felt like two years of building mutual trust with Hoffmeister was down the drain, and that we’d have to start from scratch with someone new.

I wrote to the entire USBIG Committee asking members if we should ask Filner to re-introduce the bill. Most of the responses said yes, go ahead. So I met with Filner in his Chula Vista, Calif., office.

As Steve had suggested, Filner agreed to do so.

Frankly, I’m not sure why. I began by telling him the “good news,” that having an actual bill in Congress gave us an entrée to groups and individuals that we might otherwise not have had. But before I could finish my “good news” pitch, he got to the “bad news.” “How many co-sponsors did we get,” he asked, knowing we had obtained only one – Jackson.

I was embarrassed. He had stuck his neck out to introduce this thing, and then we couldn’t come up with any support for him. I told him the problems we faced.

But Filner felt the political climate in the Democratic-controlled 110th Congress might be more favorable to new ideas than the Republican-controlled 109th.

Filner asked me to contact Wagener, to coordinate the re-introduction of the bill. On February 28, following the 6th annual USBIG Conference in New York City, Steve Shafarman, Rick Cook and I met with Wagener in Filner's office in Washington, D.C.

She was knowledgeable about the details of the bill, but said we should not re-introduce the bill until several objectives were achieved:

- 1) She said we needed the support of the House Ways and Means Committee. Nothing happens with any bill until it goes to a Committee for evaluation. Since our bill is a tax bill, it automatically goes to the Ways and Means Committee. Wagener felt we should not "drop the bill into the hopper," as we had done in 2006, without first getting support of some members of the Ways and Means Committee.
- 2) In January, 2007, the House adopted a pay-go budget rule. Under this rule, a bill cannot be considered on the House floor if it "changes tax and entitlement programs in a manner that increases the deficit." In other words, it must be offset by either tax increases or entitlement spending cuts of the same or greater magnitude. So Wagener said we must rewrite the plan to include its cost and a way to pay for it before we re-introduced the bill.
- 3) To cost or "score" the bill, Wagener said she would contact the Joint Tax Committee (not the Congressional Budget Office as several people told us in 2006). The non-profit group, Citizens for Tax Justice, had determined that the bill would cost \$186 billion per year. That's probably a reasonable estimate, but Wagener felt we still needed the official scoring from the Joint Tax Committee.
- 4) Once the cost was determined, we needed to include language in the bill as to how we planned to pay for the plan. Following the meeting, Steve, Rick and I kicked around some ideas, such as reversing some of the Bush tax cuts, eliminating tax breaks for the oil industry, closing the tax gap by collecting delinquent taxes, closing off-shore tax havens, eliminating the step-up-at-death capital gains loophole, etc.

March – June, 2007:

Wagener sent the plan to the Joint Taxation Committee to "score" (determine the cost). Over the next four months, we tried to gain the support of members of the House Ways and Means Committee. Four constituents of W&M members wrote personal letters, but none even received a reply, let alone an endorsement. I subsequently wrote to each member of the Committee, but, again, got no replies. After a few phone calls, I met with the aides of four W&M members in June in Washington. I got some favorable responses to the idea of the bill, but no commitments or endorsements.

I was able to meet for nearly an hour with Jon Sheiner, the legislative director of Charles Rangel (D-NY), the powerful Chairman of the W&M Committee. He was very sympathetic to the idea of a BIG, but said we needed a movement from the ground up, rather than a bill from the top

down. No surprise there, but we've always felt that having a bill circulating in Congress would at least help bring the idea of BIG back onto the national agenda.

I also met with 10 other legislative aides and with a dozen non-profit groups. The mood in Washington was still not favorable to bold ideas like ours. The Democrats were and still are very timid. They've done a few good things, and feel they can win the Presidency in November if they don't rock the boat too much. Thus, they refuse to end the Iraq occupation and are reluctant to push any really progressive legislation, especially since Bush would probably veto it, anyway. Like most liberal activists, I disagree with this approach, but that's how they feel.

Perhaps, as a result, when the Center for American Progress announced a year-long study of how to end poverty, it did not include the concept of BIG in its report. I asked Mark Greenberg, the director, why not. He said BIG is too radical for this Congress and would have no chance. Instead, the Center recommended incremental changes, such as more food stamps, more funds for Head Start, health insurance for children, increasing the earned income tax credit, and making the child tax credit fully refundable.

The latter would actually be a significant achievement. Today, parents can't get any child tax credit unless they have annual earned income of at least \$11,750. They can't get the full \$1000 child tax credit unless their income is over about \$20,000. Making the credit fully refundable would provide, for the first time, a tax credit to people who are, technically, "non-workers."

July – December, 2007: During the latter half of 2007, I contacted Wagener several times to see if the Joint Tax Committee had "scored" our bill. Each time she said no. I asked if the JTC was just a black hole where bills disappear, but she said, no, she would keep after them. Arizona Governor Janet Napolitano calls Washington "a broken city where good ideas go to die."

January-May, 2008: The JTC has not scored the bill and, in my opinion, has no intention of ever doing so. Congress, meanwhile, has violated its "paygo" rules on at least two major occasions. First, it passed a bill to eliminate the "Alternative Minimum Tax" without providing any offsetting revenues. Second, it passed an "economic stimulus package" with no provision to pay for the bill. I asked Wagener if this meant that paygo is now dead, and we no longer need a cost figure from the JTC. She said she would check with Congressman Filner and get back to me. I'm still waiting for her reply. I imagine she feels that with no support from anyone except USBIG that there is no point in pushing the bill.

The issue of poverty remains unpopular in the United States. As part of the AMT legislation, Rangel tried to lower the child tax credit threshold earnings from \$11,750 to \$8,200. But he couldn't even get that through. Former Senator John Edwards made poverty the cornerstone of his candidacy for the Democratic Party nomination for president. His advisers told him to downplay talking about poverty; that it was a losing issue. He ignored their advice, believing that poverty in America was a disgrace and we should try to end it. His advisers were right. No one wanted to hear about poverty and Edwards dropped out of the race after only four of the 50 states had voted.

Even Senator Hillary Clinton took a stab at the issue of poverty. Late in 2007, her presidential campaign announced she was supporting a "baby bond" proposal similar to a program already in effect in England. Every child born in America would receive a \$5000 baby bond, deposited into

a bank account by the federal government. The money would grow until the child was 18 and could then be used for school, buying a home, or starting a business.

Republican presidential candidate Rudy Guiliani pounced. He spent thousands of dollars producing and running ads ridiculing her and her proposal. Shocked at the hostility to the idea, Hillary quietly dropped it, removed it from her web site, and never mentioned baby bonds again.

The Democratic Party and many legislators often send out fundraising mailers asking what issues are most important to voters. They generally list about 10 choices, such as Iraq, Social Security, global warming, education, etc. But the issue of “poverty” is never listed – not ever.

After a year of submissions to many publications, I finally had an article on Filner’s BIG bill published in the April/May issue of *Progressive Christian* magazine.

June, 2008: So where do we go from here? Well, the idea all along in getting a BIG bill introduced was to try to educate legislators and non-profit groups that BIG is the best way to provide economic freedom and security to everyone. To a small degree, we’ve done that. Hopefully, the 500 or so legislators and groups we’ve contacted during the past couple of years will at least think about BIG when the political climate is more favorable.

Perhaps we should try to re-introduce the bill or similar in 2009 when a Democratic President will likely be in office. Many tax bills introduced in Congress go nowhere but are re-introduced every session to keep their ideas alive until the time is right. For example, Congressman John Linder (R-GA) has introduced his “Fair Tax” bill many times. The Fair Tax would eliminate the Internal Revenue Service and establish a national 23% sales tax. Finally, it got national attention from presidential candidate Mike Huckabee, who promoted it in every television debate.

Congressman Filner knows I have a group behind me, but I doubt he knows how small USBIG really is. Actually, it became clear during these past few years that USBIG is not set up to push major legislation in Congress. USBIG has staked out an important position as a discussion group, but not as a lobbying group.

Some of us continue to discuss the possibility of forming a 501c3 organization, raising some money, opening an office in Washington, and promoting BIG in a major way.

While the U.S. political climate has been grim the past eight years, Senator Barack Obama’s message of hope and a new direction for America has taken root in the 2008 presidential campaign. For the first time since the 1970s, Americans may be ready to abandon the Reaganesque concept of “I’ve got mine, you get yours.” We may be ready to embrace the idea that we’re all in this together, and that extremes of wealth and poverty cannot be reconciled with a truly just society.

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