

The President's  
Tax Proposals  
to the Congress for  
Fairness, Growth,  
and Simplicity



May 1985

TO THE CONGRESS OF THE UNITED STATES:

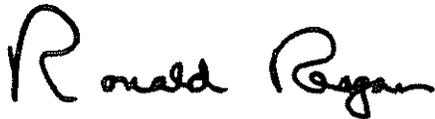
We face an historic challenge: to change our present tax system into a model of fairness, simplicity, efficiency, and compassion, to remove the obstacles to growth and unlock the door to a future of unparalleled innovation and achievement.

For too long our tax code has been a source of ridicule and resentment, violating our Nation's most fundamental principles of justice and fair play. While most Americans labor under excessively high tax rates that discourage work and cut drastically into savings, many are able to exploit the tangled mass of loopholes that has grown up around our tax code to avoid paying their fair share -- sometimes to avoid paying any taxes at all.

The American people want change and for very good reason. Our present tax code is not only unfair, it slows economic growth and job creation, and hinders technological advancement by interfering with free markets and diverting productive investment into tax shelters and tax avoidance schemes. In 1981, we made the first necessary, historic step by cutting tax rates and opening the way to vibrant economic growth and expanding opportunity for all Americans. Now is the time to build on our success, to redesign the basic structure of our tax system in order to discourage non-productive economic activity, to encourage greater compliance and to liberate incentives still further.

Accordingly, I hereby submit my proposal to overhaul our tax code based on the principles of simplicity and fairness, opening the way to a generation of growth. This is a tax proposal we can be proud of, a proposal that will help fulfill America's commitment to fairness, hope, and opportunity for all its citizens.

I urge your prompt enactment of this historic program for redesigning the tax code, and I look forward to working with you toward that end.

A handwritten signature in cursive script that reads "Ronald Reagan". The signature is written in black ink and is positioned above the typed name and address.

THE WHITE HOUSE,

May 29, 1985.