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CHAIRMAN JIM SAXTON

PRESS RELEASE

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TAX COMPLEXITY IMPOSES HIGH COSTS

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WASHINGTON, D.C. – The compliance costs imposed by the U.S. individual income tax system are an excessive \$83 billion per year, according to a new study released today by Chairman Jim Saxton of the Joint Economic Committee (JEC). The JEC study, *Individuals and the Compliance Costs of Taxation*, examines the costs generated by the billions of hours taxpayers spend attempting to comply with an increasingly complex tax system.

“The U.S. tax system is far too complicated and confusing for taxpayers,” Saxton said. “Even IRS data indicate that compliance costs are extremely high. This is not surprising given the amount of time it takes taxpayers to complete their tax returns, or the cost many incur by paying someone else to fill out their returns. According to one academic study, taxpayers spend as much as 3.5 billion hours a year complying with the tax code.

“The complexity of the tax code also makes tax policy less transparent and contributes to the erosion of tax compliance. While some complexity is unavoidable in taxation, the current degree of complexity is unnecessary and counterproductive,” Saxton concluded.

For a copy of the new study, *Individuals and the Compliance Costs of Taxation*, please visit the committee website at www.house.gov/jec/