

## QUIT PLANNING – DO IT – PLEASE

*Former U. S. Sen. Ernest F. “Fritz” Hollings (D-SC)*

MAY 2, 2011 -- We all want to cut taxes. Globalization is nothing more than production looking for a cheaper country to produce.

We can cut taxes and stop the hemorrhage of U. S. off-shoring its production and jobs by eliminating the corporate income tax and replacing it with a 5% VAT. One hundred thirty-six countries in globalization have a VAT that is rebated on export. This will immediately boost exports and create jobs. Not only that, it amounts to a tax cut.

The average corporate tax is 23% compared to a 5% VAT. The 2010 corporate tax brought in \$191.4 billion, whereas a 5% VAT brings in \$583 billion. Exemptions of \$83 billion for the low income leaves \$300 billion to start paying down the debt. With the \$100 billion in spending cuts that the “Gang of Six” agrees to, this is a \$400 billion cut in the deficit. This makes it profitable for Corporate America to produce in America. It frees \$1 trillion in off-shore profits that Corporate America can repatriate and produce and create jobs.

*Senator Hollings of South Carolina served 38 years in the United States Senate, and for many years was Chairman of the Commerce, Space, Science & Transportation Committee. He is the author of the recently published book, [Making Government Work](#) (University of South Carolina Press, 2008).*

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