

Compact for America's scheme for pre-ratification of a massive new taxes amendment

Do you remember the public discussions which went on for years about the proposed equal rights amendment to our federal Constitution? That's how it's supposed to be before an amendment is ratified: The People get an opportunity to hear the arguments, discuss it among themselves and their state legislators, and reject amendments which are bad.

What if someone found a way to circumvent this pesky public discussion, and get an amendment ratified before The People found about it? And even before the state legislators who ratified it found out what they had done? And what if this amendment delegated massive new taxing powers to Congress?

Such a scheme has been developed by Compact for America (CFA). They present their already prepared compact legislation to state legislators as a "balanced budget amendment"; and urge them to get it passed by their state legislature.

The provisions which authorize Congress to impose the new taxes, and which provide for pre-ratification of the new taxes amendment, are buried in some 15 pages of single-spaced excruciatingly convoluted and boring writing. Rare is the legislator who has the time to wade through the verbiage and figure out what it says.[1]

Once three fourths of the States have passed CFA's compact legislation, the new taxes amendment is thereby ratified.

So that's how an amendment to our Constitution which delegates massive new taxing powers to Congress can be ratified before The People know what has been done to them; and before the state legislators who did it find out what they have done to

the American People.

The scheme has already been passed by state legislators in Alaska, Georgia, Mississippi, and North Dakota; has been filed in Missouri as SB 13; and is now pending in Arizona (HB 2226), where it passed the House on February 9, 2017, [2] and is now before the Senate.

Let's look at the particulars of the compact legislation.

I

HB 2226 does nothing to control federal spending or "balance the budget"

Section 1 of the Compact [page 2, line 16 of the pdf edition] allows Congress to spend as much as they take from us in taxes or add to the national debt! But that's what Congress has been doing!

Sections 2 & 3 [page 2, lines 20-37] permit Congress to raise the debt whenever 26 States agree.

Section 4 [page 2, lines 38 et seq.] is a joke: Who believes Congress will impeach a President for refusing to "impound" an appropriation made by Congress?

II

CFA's BBA is an actually a grant of MASSIVE new taxing powers to Congress.

The true purpose of the compact legislation is hidden behind promises such as, "cutting federal spending", "balancing the budget", and "scaring Congress". The true purpose of the Compact is to delegate to Congress MASSIVE NEW TAXING POWERS. Specifically, it authorizes Congress to impose a national sales tax and a national value added tax (VAT).

This is where the grant to Congress of the new taxing powers

is set forth:

- Section 5 [page 3, lines 4-6] permits Congress, by a 2/3 vote of each House, to impose a new or increased “general revenue tax”.
- Section 6 [page 3, lines 24-26] defines “general revenue tax” as “any income tax, sales tax, or value-added tax levied by the government of the United States...”

There it is! All Congress needs to impose a national sales tax and/or a national VAT tax (in addition to the income tax) is a 2/3 vote in each House!

Section 5 also permits Congress, by a simple majority of each House, to impose a “new end user sales tax” which would replace the federal income tax. But nothing requires Congress to impose a “new end user sales tax” to replace the income tax.

It will be up to Congress to decide whether to impose a new national sales tax and/or VAT tax on top of the existing income tax (if they get 2/3 vote of each House); or whether to impose a new end user sales tax to replace the income tax (if they get only a simple majority in each House).

So! CFA’s version of a BBA is not about “balancing the budget”, or “scaring Congress”, or “reducing federal spending”. It’s about giving the federal government massive new taxing powers!

A value-added tax is a “turbo-charged national sales tax on goods and services that is applied at each stage of production, not merely on retail transactions” and raises a “gusher of revenue for spendthrift governments worldwide.”

III

When State Legislatures pass compact legislation such as HB 2226, they are actually pre-ratifying the new Amendment to the

US Constitution which grants these massive new taxing powers to Congress.

Please note: If Arizona passes HB 2226, Arizona IS RIGHT THEN AND THERE RATIFYING THE AMENDMENT. I'll show you:

HB 2226 says in Article IV, Section 7 (e) of the Compact [page 6, line 43, et seq.]:

"When any Article of this Compact prospectively ratifying the Balanced Budget Amendment is effective in any Member State, notice of the same shall be given together with a statement declaring such ratification and further requesting cooperation in ensuring that the official record confirms and reflects the effective corresponding amendment to the Constitution of the United States..." [boldface mine]

Article IX, Section 1, of the Compact [page 11, line 41 et seq.] says:

"Each Member State, by and through its respective Legislature [passage of HB 2226], hereby adopts and ratifies the Balanced Budget Amendment."

There it is: If Arizona passes HB 2226, Arizona is thereby ratifying an amendment to the US Constitution which delegates massive new taxing powers to Congress.

When 38 States have passed legislation like HB 2226 – and when Congress approves it,[3] our Constitution is thereby AMENDED and Congress now has constitutional authority to impose a new national sales tax and a national VAT tax – even while keeping and increasing the income tax.

The provisions of the compact which deal with a convention – Articles V through VIII – are a smokescreen which obscures from state legislators the fact that when they pass legislation like HB 2226, they are pre-ratifying the amendment to our federal Constitution.

The convention is a formality – a free trip at taxpayers' expense.

IV

What's the Solution?

Don't feed the beast by giving it massive new taxing powers. The solution is to downsize the federal government to its enumerated powers.

Our Constitution already limits federal spending to the enumerated powers – learn what those powers are, and enforce the Constitution we already have.

And use your heads! You who foolishly believe that a BBA [whether CFA's version or another version] will force Congress to reduce spending, know this: a BBA is a mandate for Congress to increase taxes, among other horrors.[4]

© 2017 Publius Huldah – All Rights Reserved

Footnotes:

1. Legislators don't have time to read the bills they vote on. That's why they have bill summaries. The Compact legislation filed in Arizona has two bill summaries: [HERE](#) and [HERE](#).

Can you find where Arizona Legislators are informed they are pre-ratifying a new taxes amendment to the US Constitution if they pass the compact legislation?.

2. [Click on this link](#): see the sponsors and the votes. *Do they know what they have done?*.

3. Pursuant to Article I, §10, last clause, US Constitution, CFA's Compact is not effective unless Congress approves it. Will Congress approve a Compact Amendment which delegates massive new taxing powers to them?.

4. The Arizona House also passed on Feb 9, 2017, [HCR 2013](#) an application for an Article V convention which purports to be limited to proposing a "balanced budget" amendment (BBA).

Do [the sponsors](#) and those who voted for it not *know that a BBA does the opposite of what they have been told* – that it removes the enumerated powers limitation on federal spending and creates a completely new constitutional authority to spend on whatever the feds want? See [THIS short article](#).

People of Arizona! Get with your State Senators and put a stop to these reckless applications for an Article V convention. And to show that there is no limit to the damage a legislative body can do on one day, your Representatives also passed [HCR 2010, the COS application for an Article V convention](#). The real agenda of the movers and shakers is to [put our existing Constitution on the executioner's block](#) – and you won't like the new Constitution.