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In Taxes, Is Cain Able?



Goodly numbers of Republicans seem to be finding [Herman Cain](#) increasingly refreshing. See [The Herman Cain Appeal: 'Simplicity is Genius'](#). No matter what the pundits say, they like what he's selling, as his surge to the top of the polls makes clear. His 27% share—a figure that not coincidentally is the total of [his 9-9-9 tax plan](#)—seems serendipitous.

Part of the attraction may simply be plain talk and pizza. But a good bit of

this is about taxes, despite the constant [Buffeting](#). I like to think of it as [Cain's Tax Mutiny](#). It may be true that [his 9-9-9 tax plan](#) is naïve or worse. It calls for scrapping our Byzantine tax system with a 9% corporate tax, a 9% personal income tax and a 9% national sales tax.

Many argue that such a tax wouldn't raise the needed revenue and that it would inappropriately shift more of the tax burden away from the wealthy and toward low income taxpayers. Yet as a [30 year tax lawyer](#), I find it immensely refreshing to see someone truly shake up the conventional wisdom. Starting over sure sounds nice. How much worse could it be?

Although the major criticism comes quite predictably from the left, some on the right are attacking his idea of a national sales tax. See [With Just](#)

[Three 9s, Cain Refigured Math for Taxes](#). Once enacted, it might prove difficult to undo. Besides, some say, what about exemptions from the tax?

Mr. Cain has already said he would exempt any used goods from the sales tax, including previously owned homes and cars. He also said he would allow businesses to deduct new (U.S.-made) equipment purchases from the 9% corporate income tax. Sure, there is some politically-sensitive line-drawing being done.

You want refreshing? Mr. Cain was asked how his U.S. equipment remark would apply to a computer designed in the U.S. but containing Malaysian components and assembled in China. Mr. Cain's ice-cold-immersion-bath-refreshing remark was: "I have no idea." See [Cain's 9-9-9 Plan Gets a Closer Look](#).

That is one of the best and clearest answers by any politician I've ever heard under any circumstances. Of course, he's no politician. Some argue—perhaps appropriately—about the revenue effects of his tax. See [Herman Cain's Ingeniously Succinct 9-9-9 Plan Becoming Increasingly Complex](#).

The truth is no one really knows. All the revenue estimators are estimating, and many aren't very good at it. That problem is hardly limited to Mr. Cain's campaign. But as a 30 year tax lawyer chained to my desk, I can understand another Cain epiphany when he intones gravely that our tax code has become "[the 21st century version of slavery](#)."

For more, see:

[Cain's 9-9-9 Math Raises Questions On Revenue](#)

[Cain's Catchy 9-9-9 Plan Draws Interest, Doubters](#)

[Cain Says To Throw Out The Tax Code](#)

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