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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

LINDY L. PAULL, STAFF DIRECTOR AND CHIEF COUNSEL
LAWRENCE O'DONNELL, JR., MINORITY STAFF DIRECTOR

May 10, 1995

Sheldon D. Pollack, Ph.D.
Assistant Professor
Department of Accounting
College of Business and Economics
University of Delaware
Newark, Delaware 19716-2715

Dear Dr. Pollack:

This will confirm that you are scheduled to testify before the Senate Finance Committee on Thursday, May 18, 1995, beginning at 9:30 a.m. in Room 215 of the Dirksen Senate Office Building. Your testimony should cover:

1. What effect would various flat tax proposals have on the economy, the national saving rate, the cost of capital, and long-term investment?
2. A discussion of the "structural" issues that should be considered under any flat tax proposal. These issues include:
 - a. How broad the tax base should be and any deductions, exclusions, or credits that would be permitted;
 - b. What the flat tax rate should be;
 - c. Whether the flat tax proposal should apply to business income, and, if so, should the individual and business tax systems be integrated;
 - d. Whether the flat tax proposal should be revenue neutral; and
 - e. Whether the flat tax proposal should produce the same income distribution as the current tax system.

PLEASE LIMIT YOUR ORAL TESTIMONY TO FIVE MINUTES.

Your entire written testimony will appear in the hearing record. By limiting your oral testimony to five minutes, it ensures that there is sufficient time for the Committee to ask you questions.

Please provide 150 copies of your testimony to the Senate Finance Committee, to the attention of Darcell Savage, Room 219 Dirksen Senate Office Building by 1:00 p.m. on Monday, May 15, 1995. The testimony should also be submitted on diskette in a format that can be read by personal computers (plain ASCII text is preferred; other formats will be accepted).

I look forward to seeing you at the hearing.

Sincerely,

A handwritten signature in black ink that reads "Bob Packwood". The signature is written in a cursive, slightly slanted style.

BOB PACKWOOD

**UNITED STATES SENATE
COMMITTEE ON FINANCE**

Hearing on the flat tax

Thursday, May 18, 1995; 9:30 a.m.
Room SD-215 Dirksen Senate Office Building

WITNESS LIST

I. A panel consisting of:

The Honorable Richard K. Armey, House Majority Leader, and Representative from the State of Texas.

The Honorable Arlen Specter, Senator from the State of Pennsylvania.

II. A panel consisting of:

Michael J. Graetz, Justus S. Hotchkiss Professor of Law, Yale University; New Haven, Connecticut.

Laurence Kotlikoff, Ph.D., Professor of Economics, Boston University; Boston, Massachusetts.

Sheldon D. Pollack, Ph.D., Assistant Professor, Department of Accounting, College of Business and Economics, University of Delaware; Newark, Delaware.

Alvin Rabushka, Ph.D., Senior Fellow, Hoover Institution, Stanford University; Stanford, California.