Realistically, What Are the Chances for a BIG in the United States?

Why have welfare at all? For most of us, it is simply instinctual behavior; we look after our own. In a good country, your own includes a lot of people. It includes everybody.

—U.S. Senator Daniel Moynihan of New York during the FAP debates in the 1970s

141. Is Anyone Seriously Proposing a BIG for the United States?

No. The basic income guarantee (BIG) movement is clearly made up of academics and activists who are aware that it is a long road to get the idea back onto the mainstream political agenda in the United States.

One attempt that has seen some success is the refundable Child Tax Credit, officially called the “Additional Child Tax Credit.” Since 1998, a portion of the $1,000 Child Tax Credit has been refundable. Like the Earned Income Tax Credit, the CTC allows people whose income is so low that they pay little or no federal income tax to receive part of their tax credit in cash. The amount started at $400 per child in 1998 and it has since risen to $1,000. This policy follows the BIG model in the sense that it gets cash into the hands of the caregivers of all children unconditionally.

One proposal from the right incorporates a very small BIG. The so-called Fair Tax movement wants to replace the income tax and all other federal taxes with a national sales tax. Part of the revenue from the tax would be redistributed in the form of a very small
BASIC INCOME GUARANTEE

dividend designed to ensure that no person living in poverty is a net taxpayer.

142. Has a Basic Income Guarantee Bill Ever Been Introduced in the U.S. Congress?

Yes. On May 2, 2006, Congressman Bob Filner of San Diego introduced the Tax Cut for the Rest of Us Act. It was given the number HR 5257. The preamble to the bill read: “To amend the Internal Revenue Code of 1986 to provide a basic income guarantee in the form of a refundable tax credit for taxpayers who do not itemize deductions.” The bill was referred to the House Ways and Means Committee.

The plan was simple. It removed the lines for the standard deduction and personal exemptions from the federal tax forms and replaced them with a line for the standard tax credit at the bottom of the form. All tax rates would remain the same.

A standard tax credit of $2,000 for each adult and $1,000 for each child would create a tax cut for everyone with an income under about $60,000 a year.

It was the first basic income bill ever introduced in the U.S. Congress.

Some congressional aides and nonprofit groups thought HR 5257 was “brilliant.” Others also liked the idea, but felt the cost—estimated at an annual $186 billion—was too steep. And still others questioned whether “paying people not to work” was the way to go.

The bill garnered only one cosponsor—Congressman Jesse Jackson Jr. of Illinois—and failed to get out of the Ways and Means Committee.

Generally, people over age 50 were familiar with BIG from FAP and other proposals in the 1970s. But those under age 50 had never heard of BIG and had to be carefully walked through the idea. A few people said that BIG might have been viable in the 1960s, but not now. Some said that much of the New Deal has been destroyed; that we are headed—if not already there—for a new Gilded Age. They felt BIG is hopeless while the current political mood exists.

Even in one-on-one conversations with friends and acquaintances, there was surprising resistance to the BIG idea. It seems everyone knows of at least one “despicable” person in their world. The thought of giving taxpayer money to that person is more than they can stomach. One woman said: “People are savages.”