

HOW ARE NEW TAXES CREATED?

How are new taxes created? Federal taxes are proposed in the U.S. House of Representatives and follow the formal tax legislation process.

1. The tax bills begin in the House of Representatives and are referred to by the Ways and Means Committee. When members of this committee agree on the legislation, they write a proposed tax law.
2. The bill goes to the full house, where it is debated, possibly amended, and eventually approved.
3. The bill goes to the Senate, where it is reviewed and often rewritten by the finance committee. The committee's version is then presented to the full Senate.
4. After the Senate approves the bill, it is sent to a joint committee of House and Senate members, who try to arrive at a compromise version.
5. The compromise version of the bill is sent to both the House and the Senate for approval.
6. After Congress passes the bill, it goes to the president, who can either sign it into law or veto it.
7. If the president vetoes the bill, Congress may try to override the veto with a two-thirds vote from each house. If this vote succeeds, the bill becomes law without the president's signature.

You can have a say in the tax legislation process, too! Make your voice heard when it comes to taxes by contacting members of Congress. After all, it is called the House of Representatives because they are there to represent YOU and your wants.

