The Yin of tax legislation

Professor held one of the most influential tax posts

BY BREYY CANNON

When Professor George Yin was tapped by U.S. Representative Bill Thomas to head Congress’ Joint Committee on Taxation, Yin was already a fixture on Capitol Hill, having worked as tax counsel for the Senate Finance Committee about 20 years earlier. But Yin could not have predicted all the headline-grabbing issues that he found himself in the middle of. Even five months after stepping down, Yin still has trouble giving a concise explanation of what he did there, because he did so much. “The job was so multifaceted... All I know is that my everyday, every week, every moment of my life was consumed by this job.”

Yin oversaw about 70 staff in six locations — primarily lawyers, economists, and accountants — who work collaboratively with members of Congress and their staffs on every aspect of the tax legislative process, from developing tax proposals and analyzing their economic and legal effects, to testifying at hearings and markups, drafting committee and conference reports, and helping to draft statutory language.

The nonpartisan JCT staff is the principal resource on all tax matters for Congress, serving both the House of Representatives and the Senate. The biggest challenge for any JCT chief, explained Yin, is finding the right balance between maintaining the JCT’s nonpartisan integrity by keeping a certain distance from the members of Congress while working closely enough with key legislative players to make the best use of the skills and knowledge of the JCT staff. Achieving the right balance is difficult but important, Yin said.

Holding one of the most influential tax policy positions in the country, Yin was a voice of authority on the tax implications of congressional bills. As taxes have gradually introduced themselves into nearly every aspect of our society (transportation, energy, healthcare, environment, housing, retirement policy, etc.) in addition to the more traditional domains of taxes (regulation of business, budget policy, and the redistribution of wealth) it has become increasingly unusual for Congress to take up an issue that does not involve taxes in some way.

The JCT staff provides the final say on a bill’s revenue consequences (whether the proposal will increase or decrease revenues in the future and by much). This can be a highly contentious area with the fate of a bill rising or falling based on the revenue estimate determined by the staff. In addition, the staff carries out investigations and prepares reports that can place the chief of staff in the middle of issues that fill the headlines. For example, shortly before Yin began his tenure, the staff investigated and reported on the tax and compensation issues relating to Enron.

THE CONGRESSIONAL FRUITS CAGE EPISODE

Yin took the helm of the JCT at a time when partisan tempers were flaring on Capitol Hill. The Democrats were publicly complaining about how they were being shut out of the legislative process by the Republican majority. Just a few months into his term, he found himself in the midst of a major partisan imbroglio that made the front page of the New York Times. At one of his first appearances before the Ways and Means Committee, the Democrats demanded that a 90-page amendment to a pension bill be read aloud (which fell to Yin to do) because it had just been given to them the night before and they had barely had time to look at it. As Yin began dutifully reading the bill, the Republican chair attempted to press on and override the Democratic request for a reading. When 71-year-old Rep. Fortney “Pete” Stark (D-Calif.) protested, Rep. Scott McInnis, a 50-year-old Republican, muttered “Shut-up,” Stark responded indignantly, according to the transcript, “Oh you think you are big enough to make me, you little wimp? Come on. Come over here and make me. I dare you. You little fruittake.” Recriminations and mud-slinging from both parties followed for days and the “fruitsake” episode was in and out of the papers for almost a month. “I actually made the front page of the New York Times,” Yin said. “I am the clerk” who started to read the bill. I was relieved I wasn’t mentioned by name. I must confess that I started to wonder what I had gotten myself involved in.”

While Yin was chief of staff, he reported to Congress on ways to help close the “tax gap,” the difference between the taxes owed under the law and the amount actually paid. Recent estimates show the tax gap to be in excess of $350 billion each year, equivalent to the yearly cost of the entire Medicare program. Yin and his staff developed over 70 options to reduce the tax gap.

After Hurricane Katrina hit the Gulf Coast, Yin described for Congress how various tax breaks could help stimulate redevelopment of the area. He also worked on several high profile tax bills, including the 2003 Jobs and Growth Tax Relief Reconciliation Act, the 2004 Working Families Tax Relief Act and the 2004 American Jobs Creation Act.

So why didn’t Yin become a high-powered lobbyist after his stint as chief of staff? “I took the JCT job out of a sense of public service during an important and difficult time for our country. I also took it because I thought it would be a personally enriching and fulfilling experience.” When it was over, “it seemed natural to get on with my life, which is as a law professor and not a lobbyist.”

A CIRCUITOUS PATH TO TAX LAW

After studying math and economics for his B.A. from the University of Michigan in 1970, Yin spent two years in the Teacher Corps, a Great Society program much like today’s Teach for America program. It provided a stipend for noneducation majors to work in inner-city schools.

The program also paid for him to get a master’s degree in education from the University of Florida, after which he managed a day-care center. Then he put his math skills to work as a computer programmer, before deciding to attend law school.

In 1973 his wife-to-be had gotten a job in the Washington, D.C. area, and Yin drove to Charlottesville with her to visit the Law School, then in Clark Hall. He spoke briefly with admissions people, but was struck by a big black-and-white photo of the most recent class. It was made up of nearly all white men dressed in shirts and ties.

“I remember saying, ‘I don’t think I belong in that club,’ as we drove back from Charlottesville,” Yin recalled. Reflecting on that moment, and the fact that he now has “the very good fortune to teach here... says something very positive about our society, about the change that has taken place in really just a handful of years,” Yin said.

After earning his J.D. in 1977 from George Washington University, Yin clerked for a federal court, practiced law in D.C., and then served as tax counsel to the majority chair of the U.S. Senate Finance Committee, which had separate partisan staffs for each party. “I feel very fortunate to have seen essentially the same legislative process from two very different perspectives about 20 years apart,” Yin said.

He often had the job of explaining complex tax laws to legislators, and he always relished the challenge of explaining complex things as clearly as possible. An observer remarked to him, “I think it must be your background working with 5- and 6-year-olds that enables you to speak to us clearly to these members of Congress.” Yin recounted.

A native New Yorker and lifelong Yankee fan, Yin drew on baseball to comment on the perennial question of whether the United States will ever make fundamental reforms to the tax system. “As I told a group in Boston recently, if the Red Sox can finally win the World Series, the reform can certainly happen.”