

PRESIDENT'S ADVISORY
BOARD
ON FEDERAL TAX REFORM
WILLIAM H. BENSON
1230 JENKIN AVE. MAR. E. 8 P 2: 54
PALM BAY, FL 32907
321/952-1247
FAX 321/984-4002
E-MAIL: wildbill2nd@cfl.rr.com

To: Senator Connie Mack FAX# 202/626-3737 Feb. 28, 2005

Subject: **REGRESSIVE TAX** a socialist democrat bad word

The dictionary defines "regressive" as the act of going back; backward movement. Popularly, this has come to mean going back to the bad old days of taxing the poor and letting the rich escape taxes.

I saw your appearance on CNBC last week and was delighted to hear you mention that the TAX PANEL you are heading for President George Bush is considering a national sales tax as one alternative. Regrettably, you allowed yourself to get stepped on by the hosts when they instantly questioned you re: the sales tax being "REGRESSIVE". That is a bad word, invented by the socialist democrats to apply to "a going backwards" from any tax revision that reverses their beloved "PROGRESSIVE" tax, denoting going forward. (Translation: a fair taxation of the rich, who can best afford it.)

Coincidentally, there are a lot more votes to be had from the poor than from the rich. I wonder if that is what the socialist democrats have in mind.

Unfortunately, you also admitted that all of the alternatives your committee is considering are "REGRESSIVE". That is because we have all heard that all our lives and many accept it as a good or true definition.

Our present income tax allows 120 million Americans to pay no income tax at all. That is really good and "PROGRESSIVE" if one is to believe the socialist democrats.

Senator Mack, I urge you to please start referring to the national sales tax as SMART, FAIR and COMPETITIVE.

Here is why:

1. The sales tax will lower the cost of goods made in this country because all of the income taxes paid by companies and employees at the manufacturing level, the wholesale level, and the retail level will be gone and result in lower costs. Some say as much as 20% lower.
2. The price reductions occurring from the scrapping the income tax may equal the taxes paid by the sales tax!

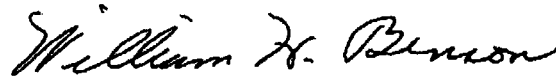
3. The lower prices will result in greatly increased exports of American made goods and help reverse the effects of "outsourcing".
4. Hugh amounts of revenue will be realized because the 120 million Americans who pay no income tax will be paying something.
5. Even the underground economy i.e. drug dealers, criminals, and off the books workers will be paying tax.
6. Americans will save approximately \$400 billion in tax preparation costs.
7. The increased burden defense spending and the national debt can be much more easily liquidated with a sales tax.
8. A sales tax does not punish success as does the income tax.
9. Some say as much as \$15 trillion, with a "T" will be repatriated to this country from offshore accounts because we will be THE tax haven country of choice.

REGRESSION is just a word but it could be a big key to the socialist democrats defeat of any tax reform and appeal to millions of half-witted voters .

It is extremely important not to cave in and accept the word "REGRESSIVE" as a definition of the sales tax.

The pro abortion people did a lot to promote their cause when they switched to calling it pro-choice. A much more palliative term that helped their cause.

Respectfully submitted,


William H. Benson, SR.