

PRESIDENT'S ADVISORY  
BOARD  
ON FEDERAL TAX REFORM

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On The Spot Delivery  
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The President's Advisory Panel on Federal Tax Reform  
1440 New York Avenue NW  
Suite 2100  
Washington, DC 20220

Dear Panel Members;

I am the owner of a small delivery business in Wisconsin. I currently have 6 subcontracted drivers. I did some research to see if I could hire my own employees to work as drivers. Currently my personal tax burden is **28%** federal income tax, **14.8%** Social Security and Medicare (FICA), and **6%** Wisconsin income tax, the total comes to nearly **49%** Federal, State, and FICA. **49** cents of every dollar I earn goes just to pay income taxes! Now add the cost of health insurance, workers compensation insurance, vehicle insurance, liability insurance, property taxes (including city, county, state, school taxes). Fuel prices, electric and gas bills, and I hope you can see that the current tax system is not allowing me to grow my business or hire any employees.

When the federal income tax claims **28%** and FICA claims another **14.8%**, it should be clear to everyone that taking nearly **43** cents out of every dollar of earnings is anti-growth, anti-savings, and anti-business. Many politicians and bureaucrats look at businesses as an endless source of revenue, an endless well of cash to fund government programs. These very businesses are the lifeblood of our economy, and they provide jobs to millions of Americans?

Not only is the income tax used to fund many of the government's wasteful programs, but is also used as a hammer over the heads of it's citizens to create social change and bend the will of the people to the wishes of the government. This current tax system started out in 1913 as a two-page form followed by 14 pages of laws. It now is so confusing and complex that it takes an estimated \$250,000,000,000 **BILLION DOLLARS** just in compliance costs alone. Just this January, it took me about 15 hours to get the information together to submit to my accountant, who in turn spent a number of hours to complete my tax return. I wouldn't think of trying to prepare my own tax return. The complexity and confusion of the tax forms and instructions are mind numbing, and for me to prepare my own taxes would be foolhardy.

The most unfair aspect of our current tax code is that it is not only an income tax, but also a value added tax. Every business from my humble delivery business to the giant corporation adds the cost of income tax and Social Security and Medicare to the product or service we sell. The businesses that use my service have to add the embedded cost of the taxes that I pay to the cost of the goods and services they sell to their customers and so on.... and so on.... and so on. There are estimates that the income tax and FICA adds 25%-30% to the price of all goods and services sold in this country.

Goals for real tax reform should be as follows:

- Allow me to keep 100% of income, pension, and Social Security
- Free up time wasted on filling out tax forms
- Must be transparent, simple, and easily understandable.
- Makes American products sold overseas more competitive

- Lower tax rates on low and middle income Americans
- Eliminate self-employment taxes
- Eliminate the Internal Revenue Service
- Protect and ensure the funding of Social Security and Medicare
- Raises the same amount of money for the Federal government
- Reduce the cost of goods and services
- End all income tax, capital gains tax, corporate and self-employment tax, payroll tax, and estate and gift taxes

Thank you for allowing me to send my thoughts concerning tax reform. Your job is not an easy one, but it is a very important one. The decisions you make will affect the American people for generations to come. I will be following the progress of this advisory panel closely, and look forward to sharing my thoughts about a solution to the current tax hell we find ourselves in.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard J. DeBroux', with a large, stylized flourish extending to the right.

Richard J. DeBroux  
On The Spot Delivery