

PRESIDENT'S ADVISORY BOARD
Colin P. McCauley, 61D Fox Meadow Road, Lancaster, MA 01453

Submission Date: February 23, 2005 3:12

An Individual Submission

to the

President's Advisory Panel on Federal Tax Reform

Synopsis of Recommendations

- Non-intrusive (as applied to every American)
- Uncomplicated (no need for forms or regulations)
- No mandated amount of tax (by the government)
- Not collected on income, pension or Social Security
- Paid by everyone (poverty level Americans excepted)
- Based on consumption of goods and services
- Tax amount not based or dictated by the government
- Not enforced on each citizen by a government agency
- Eliminate hidden corporate taxes and compliance costs

Colin P. McCauley
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Colin P. McCauley, 61D Fox Meadow Road, Leominster, MA 01453

I find from a long history of paying taxes, and filing taxes that, this existing system is so non-productive as to be labeled a sham, except for the fact that I affix my signature to the tax document under the pains of perjury and prosecution. Americans should not be indebted to this quagmire of a federal government but, by reason of this existing system of taxation, that is the case. Any tax is an abomination in the sense that an indebtedness by the people to the ruling authority must be seen as a means upon which a "return" is guaranteed. Upon paying their tax dollars each and every American becomes a slave to this behemoth and gains nothing in return, except more and more indebtedness. We are a nation in serfdom and we labor to please an ogre, with an unceasing thirst for our money. This thirst has been levied upon the people of this country in an arbitrary and undemocratic, almost tyrannical way, and must stop. As far as the argument goes that the income tax has no legal merit that will be decided at some point in the future. However, so that the government can function and continue to waste our tax dollars, except in funding our military, which is dramatically under funded, the congress has provided the Internal Revenue Service with the authority to collect the national tax. This also is an arbitrary and capricious power extended over the people, not originally given by our "Founding Fathers", of whom much can be said as to their wisdom and perception of the future, that they most feared would befall this country. This arbitrary and capricious authority assumed by the Internal Revenue Service must stop, at once. To be certain that the people are able to enjoy the rewards of the fruits of their labor, a tax must be fair, non-arbitrary and voluntary. Any mandated tax is a tax that leads to enslavement of the

Colin P. McCauley, 61D Fox Meadow Road, Leominster, MA 001453

people, by the ruling authority, whether it be the congress or the Internal Revenue Service, who it appears at times, to be the genuine taxing authority, although this is not the case. Congress is remiss in its duties when it applies one tax after another, onto the people. That is why the existing system fails in its endeavor, because it does not allow any American to enjoy the fruits of their labor, in that there is nothing remaining in their paycheck that enhances their quality of life. We, as taxpayers, are prohibited from taking our earnings and disposing of them as we see fit. In other words, in our society we would have earnings, which we could expend for own benefit in the form of savings or investments, after we have spent our money on the necessities of life. There is none of that under this present system of taxation.

Therefore, the abolition of the present system of taxation is crucial in allowing each and every American to pursue those objectives, which our founders envisioned for us as a people, in a united country, free from the heel of government oppression by means of an unfettered system of taxation. In abolishing this system of taxation, the Sixteenth Amendment must also be rescinded. In furtherance of this action, the taxation collection arm of the federal government, the Internal Revenue Service, must also be reined in and remanded to the dustbin of history.

There is no other way to fund the necessary governmental bodies except by the people. However, by eliminating the capricious and nefarious way in which the congress makes laws that further the oppression and enslavement of the American people, the people would be more inclined to support a government that proved to be more benevolent, than

Colin P. McCauley, 61D Fox Meadow Road, Leominster, MA 01453

a government that would be considered an unwise and useless body of bureaucrats, which it is perceived as, today.

The following are examples of a fair taxation system:

- The presumed system of necessary taxation should be non-intrusive, eliminating government involvement in the life of each American.
- The presumed system of necessary taxation should be fair in its application and must not be deducted from the wage earners pay, pension or Social Security.
- The presumed system of necessary taxation should not be comprised of forms or printed regulations.
- The presumed system of necessary taxation should not have a mandated tax return.
- The presumed system of taxation should be collected as each American consumes.
- The presumed system of taxation would not give the government the authority to state a mandated amount as to how much each taxpayer would pay.
- The presumed system of taxation should be equitable and paid by each and every American.
- The presumed system of taxation would not involve enforcement applied to each American.
- The presumed system of taxation would allow business to eliminate hidden corporate taxes and compliance costs.

PRESIDENT'S ADVISORY
BOARD
Colin P. McCauley, 61D Fox Meadow Road, Boston, MA 01453

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An Individual Submission

to the

President's Advisory Panel on Federal Tax Reform

Synopsis of Recommendations

- create an expanded tax base through consumption
- remove individual payroll tax, personal income tax and other taxes
- remove business income and payroll tax
- eliminate Internal Revenue Service, its tax code and 16th Amendment
- create growth in continental United States businesses
- reduce trade deficit to stimulate business growth
- create tax incentives for return of businesses to United States
- a 100% take home in a payroll check
- increase a families spendable income
- tax only on what is consumed and not what is earned
- biased calculations in taxes owed to taxes paid
- deprivation of quality of life
- irrelevant "standard deduction"

Colin P. McCauley, 61D Fox Meadow Road, Leominster, MA 01453

In paying taxes and filing taxes each year, it astounds me that there are multiple calculations configured as to what I owe. In filing a W-4, and claiming Single/Zero, I expect that the amount deducted from my pay will be sufficient enough so that: 1.) I'll not have to pay any taxes due on April 15th or, 2.) I may receive a small refund or, 3.) I may have to pay only a couple of hundred, or less, dollars on April 15th. That, however, is not the case. Even though, in claiming the Single/Zero, I have much less money to live on during the week, thereby sacrificing my own quality of life, I find that, on April 15th, I 1.) do not receive a refund; 2.) do not owe zero dollars but instead, 3.) owe almost as much as was deducted from my pay during the whole year. All because, in the tax table and the graduated income levels and assessed taxes, my adjusted income is still too high and I am once again, penalized for working as much as I can to maintain my quality of life. The tax table is about as corrupt and disproportionate in its application as could have ever been constructed and, has never worked to my advantage. I have lived with this for too many years and am sick and tired of it. It, as the saying goes: "the more you make; the more they take" is so true, as to be redundant in its simplicity. There has never been a time when the tax table has ever worked out to some logical conclusion as to the calculation of taxes paid and taxes owed. The lopsided and skewed mathematics always falls on the side of the government and this is another aspect of this tax system that irritates me. When configuring the taxes owed from the tax table by means of the various pages of the tax forms, I marvel at the way the numbers are combined with the percentages of this number, subtracted from that number, after three other numbers are added together. This proves to be an exercise in frustration and appears to be, on its face,

Colin P. McCauley, 61D Fox Meadow Road, Leominster, MA 01453

totally illogical and criminal. I can only fathom that those, and I know there are more than one person, people who sit in the bowels of the Treasury building are just dreaming of ways to make a whole number a fraction, after it has been multiplied by a four number percentage fraction, which appears at the right of the decimal point. Huh? Since when is a whole number meant to be a fraction, when in fact it appears as a four digit percentage number, and is then multiplied by, or into, a number that has just been added by three numbers, and then subtracted by a result of the multiplication of the fraction, to another number that has no similarity whatsoever with the number being either added, subtracted or multiplied. Huh? In another instance of skewing the fairness scale, the matter of calculating the amount of tax owed always is larger than the amount of tax paid. No matter how I configure my W-4. It seems as if this is about an open ended a scale as could ever have been designed, but the shameful part about it is, in calculating taxes owed and taxes paid, the taxes paid have lowered my quality of life enough so that, if I haven't set aside money (yah, sure!!) during the year, I end up having to borrow money to make my payment, to make up the difference in my taxes paid and taxes owed. What does that do to me – puts me deeper in debt, not only to a financial institution, but to the government. How fair is that, when in trying to maintain some respectable quality of life, I have to take a loan to pay off my tax debt to the government? Give me a break!! Then, there is the matter of the “standard deduction”. Well, first and foremost there is nothing “standard” about a number that has seemingly no real meaning to anything calculated on the tax form. Whatever is standard about a number that is configured so that there is little less than, and never more than, any number of exceptions multiplied by the number of

Colin P. McCauley, 61D Fox Meadow Road, Leominster, MA 01453

feet in a yard, subtracted from the square root of the head of a pin, added to the diameter of the newest filling in your fourth molar. Sounds crazy??!! You bet!, but there is nothing funny about filing a tax return after having to figure out what is meant by all of the aforementioned calculations, and then signing your name to it, and then hoping beyond all hope that all of the math calculates and the return is not "x'ed" out somewhere, and you end up staring at an I.R.S. auditor, hoping that he, or she, has had a good day, week, or month and will look favorably upon you, and not remand you to a lifetime, or whatever you may have left in your lifetime, of continued payback, added upon payback, added upon payback. Sounds like a fairy tale?, think again. This organization has caused marriages to dissolve, families to polarize and most unfortunately, many distraught individuals to take their lives, because of the oppressive and cruel measures taken by the Internal Revenue Service, in their overzealous attempt to rise within the structure of the arm of the government. This bureaucracy is more feared than the F.B.I. This bureaucracy has done the bidding of the congress for too long and it must be dissolved.

There shouldn't be any reason why we have to go through the exercises I mentioned, just to pay a tax, which, as some would argue is unconstitutional and contrary to what our founders desired for us as citizens of the United States. However, until that issue has been resolved and the courts have spoken, we will muddle forth and continue to play this silly game of filling in the forms and sending our money, to support a bureaucracy that has little or nothing to do for me, because I am fairly self sufficient and frugal enough to ask not from my government what it cannot provide, i.e. freedom from this oppressive system of taxation which causes me to lose sleep at night, between January 1st. and April 15th.

Colin P. McCauley, 61D Fox Meadow Road, Leominster, MA 01453

and become some kind of ogre and disagreeable character barely recognizable by my wife and family.

Any tax system, if, in fact, we must have a tax system must have the following characteristics to bring fairness and equitability to the collection system:

1. Preserves Social Security and Medicare with an expanded tax base that is revenue neutral and provides an opportunity for private retirement savings accounts without taking \$2 trillion out of Social Security to pay for it. (See #8 & #9)
2. Removes the most regressive tax on the poor and middle class- the payroll tax. Also eliminates the personal income tax, AMT and death tax.
3. Removes business income and payroll taxes resulting in a drop in prices by 22 to 25%. Saves an estimated \$250 Billion annually in tax compliance costs.
4. Eliminates the cumbersome IRS Tax code and replaces it with a National Sales tax of 30% (income tax equivalent of 23%). With price drop consumers pay about the same.
5. Fights outsourcing; increases Manufacturing and business growth back in America. Boosts Economic Growth an estimated 10.5% in the first year. Increased job growth.
6. Reduces the trade deficit because exports will not pay the sales tax and be 22 to 25% cheaper for sale overseas. Leveling playing field with low wage countries.
7. US shores will be the corporate tax haven not the Bahamas. Corporate headquarters and many other businesses can return to US soil and be more competitive.

Colin P. McCauley, 61D Fox Meadow Road, Leominster, MA 01453

8. Average working families take home 100% of their paychecks, no Federal income tax or payroll deductions. Average family of 4 making \$50,000/yr takes home \$7500 more.

9. Families have more spendable income for Health Insurance, Childcare, College tuition, and Private retirement Savings accounts. It's their choice for their family "Ownership"

10. Revenue neutral and progressive with a Prebate of Sales tax up to the Poverty line of spending. Family of 4 gets \$479/married, and a couple receives \$357/married and while being revenue neutral, progressive and fair the Net tax rate for the Poor at the poverty line is 0%, for the middle class at twice the poverty line is 11.5%; for 4 times poverty line 17.2% and the more you spend your net rate is between 20 and 23%.

The tax does not raise or lower the overall tax burden and better promotes "long-run economic growth and job creation." It should meet a standard for promoting Home ownership and Charities.

Taken from the "Conservative Voice", Senior Editor, Feb. 2, 2005 (Americans for Fair Taxation publication, online)