

PRESIDENT'S ADVISORY
BOARD
ON FEDERAL TAX REFORM

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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,

You have requested comments on four points presently before you.

1. Headaches, unnecessary complexity, and burdens that taxpayers - both individuals and businesses - face because of the existing system.

No one understands the current IRS based tax system of the United States. Everyone who files any tax return of any nature is surely in violation of at least one point of "regulation". Untold hours are spent trying to comply with a system which defies compliance. In this failed attempt at compliance, everyone tries to keep otherwise unnecessary documentation and informations in whatever fashion they believe might eventually allow them to explain their understanding to someone who will definitely have a different misunderstanding of what should be done.

No business ever pays any tax. All taxes are "hidden" and then passed along to the consumer in the form of higher prices. Businesses are forced to expend untold time and money to prevent any possible non-compliance. These unnecessary and wasteful costs are passed along to the consumer in the form of higher prices for goods and services.

All taxes are paid by the consumer. But, under the current broken system, the Taxpayer is forced to pay at least twice for what could be easily handled only once.

2. Aspects of the tax system that are unfair.

This item can not be commented upon. There are no aspects of the IRS based tax system which are fair. Everything about the current broken system has been developed to serve one special interest or another. The entire current tax system is unfair.

3. Specific examples of how the tax code distorts important business or personal decisions.

Most decisions now made have to be done so with an eye toward the "tax consequence" of that decision. A truly Fair Tax would be completely transparent. Taxation would then no longer serve as a whip to punish the many for the benefit of a few. All decisions would then be made on the basis of the economic soundness of that decision rather than upon any artificial "tax consequence".

4. Goals that the Panel should try to achieve as it evaluates the existing tax system and recommends options for reform.

The existing tax system can not be reformed. There is no hope that rot and decay can ever be returned to freshness and goodness. Hopefully the Panel will completely ignore all aspects of the current IRS based tax system. None of it works fairly. None of it is really necessary to achieve appropriate income to meet the legitimate needs of the US Government. The current system is utterly broken and must be replaced . . . not repaired (poorly, again).

Please do not get bogged down in trying to satisfy ANY special interest group. Even the President.

Please don't try to salvage any part of the current evil taxation system. It is broken beyond salvage.

Please find a fair way to tax everybody on an equal percentage basis with no loopholes for anyone. That NEW taxation system should be entirely based on what one consumes from the economy, not what one produces for the economy.

In indeed it is even really necessary to levy a tax on the citizenry of the United States (and that is a matter of another discussion) then the Fair Tax Act [HB25 and S25] appears to be the best possible solution to this problem of fairly taxing everyone without creating special classes of citizenry.

Please create for us a consumption based tax system, completely divorced from any measure of income.

Please recognize that only the ultimate consumer pays any taxes.

Of necessity, any "income" based tax system will retain much of the evil embedded in the current tax code. It will perpetuate "class" distinctions. It will require taxpayers to guess what "income" really means. It will pretend that businesses pay taxes. It will open itself up to continued tweaking and twittering by political powers in an effort to satisfy their individual greedy constituents.

Income is never created by any taxation policy. Progressivity of taxes is a catch word conjured up by early communists to justify their confiscation of all wealth. Everyone should pay their fair share. From each according to his capacity does not mean "take more from the more productive". As the Fair Tax Act [HB25 and S25] is proposed, everyone will have their basic needs untaxed and thereafter every consumer will pay an equal and fair share of the tax burden.

With the Fair Tax Act we will clearly see ALL the taxes we pay and will probably stand up and make the government accountable for what you are charging us. Now . . . that . . . is scary! But, only scary for the politician.

The price of transition is cheap when compared to the perpetuation of the massive costs now laid upon the shoulders of the working taxpayer. We must do it some time. To continue to "reform" that evil which can never be fixed is only to invite a future revolution.

Please, scrap the present system. You know it doesn't work.

Many of you have been dealing with the evils of our current tax structure for many years. You have participated in, and been a key players in, SEVERAL "reforms" of that evil. To date, nothing good has ever come of any of those "reform" efforts. NOTHING! Indeed, every one of those "reforms" has made the system more evil and has made the government less accountable to the taxpayer. If you can point out even two positive "reforms" which have been achieved during these "reforms" I would believe that there is some hope apart from the FAIR TAX Act.

There is much at stake here. But, taxation should NEVER impact our economy. Taxation should be economically and socially neutral. It should provide revenue to operate the government as outlined in the inspired Constitution which created that government. To make taxation a tool of social change is to empower the government to it's own eventual destruction.

I encourage you to, and thank you for, taking a close look at HB25 and S25 as the answer to your mission and mandate.

Sincerely,

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