

PRESIDENT'S ADVISORY
BOARD
ON FEDERAL TAX REFORM

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Ward P. Vaughan, MD
202 Brookneil Drive
Winchester, VA 22602
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W 540-665-0000
H 540-868-0540
Fax 540-868-9494
wardpvaughan@adelphia.net

President's Advisory Panel on Tax Reform
1440 New York Avenue, NW
Suite 2100
Washington, DC 20220

Dear Panel Members:

American needs to have a three-part solution to reform the impossible tax code that currently exists.

1. A Balanced Budget Amendment.
2. A Flat tax for tax payers and corporations (i.e. NO deductions for anyone or special interest)
 - a. A flat tax is actually a graduated tax. If you earn more you pay more.
 - b. A flat corporate tax rate (no deductions) set at a low level to make it advantageous to have a company headquartered in the USA. Let us out compete the other nations for the world corporations to be headquartered here. Where their companies, factories, executives and employees will live and pay taxes.
 - c. Social security and Medicare would be deducted at a flat rate included in the flat tax rate (no cut offs). Actuarial data and projections can provide you with the correct %.
3. A 1% National sales tax at the register to pay off the National Debt to end when the National Dept is eliminated.

Advantages

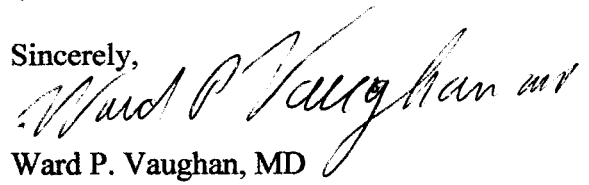
1. Anyone with a third grade education can pay his or her taxes. No excuses
Example: Pennsylvania state tax form is less than one page.
 - a. Easy to calculate.
 - b. Difficult to cheat
 - c. Easy to audit
2. The yearly tax rate can be adjusted to fit the proposed budget easily and quickly.
3. The Congress will not waste their time with special interest tax groups or lobbies.
4. The Congress can use the time to spend the taxpayer's money more wisely.

I listened to C-Span while three "experts" testified of how to solve the problem. Each solution proposed added a new layer of complexity to the currently complex tax code. I thought they were there to tell you how to simplify the tax code not complicated it.

The proposal of a national 25% sales tax would "crash" the current economy. People would stop buying. America runs on consumption. The evolution of an underground illegal economy would evolve, much like Russia and Europe. Tax evasion would be rampant.

Please save the American Taxpayer and Corporations. We are drowning in a complex sea of bureaucracy. Thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Ward P. Vaughan MD". The signature is written in black ink and is positioned above the printed name.

Ward P. Vaughan, MD

For simple solution to the crisis of access to health care, see "The National Health Care Reform Plan."