

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

To

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PRESIDENT'S ADVISORY PANEL ON FEDERAL TAX REFORM

From

Individual

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Senator Connie Mack
Chairman, President's Advisory Panel on Federal Tax Reform

Chairman Mack:

I find it hard to believe that the Panel wants more blood and guts stories from taxpayers, concerning the treatment they get at the hands of the Internal Revenue Service. If the Panel isn't already aware of atrocities committed by the IRS, where were they when this was investigated in prior years? It keeps getting worse with each revision..

IRS is an ongoing canker sore the United States is suffering from. We are told it will "get corrected" after each intense investigation by Congress only to resurface, perpetuate itself, and come up with more complicated tax code forms. .

I encountered a **needless two year +** harassment investigation for a **ten year span**, by the IRS. The following will scantily demonstrate to the Panel how **(1) UNFAIR, (2) WHAT A HEADACHE (emotional and anxiety creating situation), (3) HOW UNNECESSARY COMPLEX IRS MADE IT, (3) WHAT A BURDEN TO MY PERSONAL LIFE, (4) HOW NEEDLESSLY EXPENSIVE, and on what (5) A FRUITLESS EFFORT** the Internal Revenue Service **WASTED THEIR TIME AND TAXPAYERS MONEY.** IRS did not earn their money on this blind chase.

- My husband had died and I had dissolved the business...filing all proper tax work.
- In 2 years I remarried and moved across the country. ...taking all my paperwork
- A few years later, I was divorced. ...and went to work .
- Later I moved to a different house. ...again took ALL my paperwork with me.

- Next, IRS audited me for the last 7 years and then proceeds to go farther back.
- I hired an attorney because IRS prevented tax prepares from getting my records.
- Some weeks later, an IRS agent called ME, AT WORK at 10:00 AM and said I had to report to their office at 1:00PM that same day. I thought I would loose my mind.
- My attorney inquired who had called me and informed me I did not have to report to IRS because the courts would handle it.
- In Summary, ... As I expected, **I DID NOT OWE ONE PENNY TAX.**
- My attorney proved to IRS, I was in compliance for all those years, and had the paperwork to prove it..
- But I had to pay the attorney, and suffered the anguish for years, needlessly.

This Panel has the opportunity NOW to improve the tax system in America. I find the work of Americans for Fair Taxation to be the most fair solution. No other system will allow taxpayers to make their choice of when and how much tax to pay by the way they spend their money. Big spenders pay more while conservative lower income people spend and pay less. Now, that is FAIR. But the best part is that they don't have to deal with IRS. Abolish a needless, senseless agency , while receiving the same revenue in taxes. No further need for transporting tax records! I recommend the FAIR TAX.

The following fundamental principals meet the goals of the Panel.

1. **THE FAIRTAX IS SIMPLE;** There is no need for record keeping, filing, cost of professionals nor personal loss of productivity. It is a simple, single rate uniform sales tax.

2. **THE FAIRTAX WOULD STRENGTHEN SOCIAL SECURITY:** This sales tax would be collected from nearly 300 million Americans and approximately 50 million visitors to our country. The revenues for Social Security and Medicare are projected to double along with the size of the economy in approximately fourteen years under a national sales tax.
3. **THE FAIRTAX IS FAIR;** There is a rebate for every household. This eliminates the tax consequences of spending up to the poverty line. It insures every household could buy their necessities tax free--thus, totally un-taxing the poor. Everyone would receive fair treatment.
4. **TAX CODE TRANSPARENCIES ARE EXPOSED BY THE FAIRTAX :** An average of twenty two percent (22%) in the form of "hidden taxes" in the price of goods is eliminated. The taxpayer will have that much more buying power. They also would have their whole salary on pay day. No more withholding taxes and the burden and cost to the employer would be his/hers to increase his/her buying power. There is reason to believe that prices would go down.
5. **THE FAIR TAX IS REVENUE NEUTRAL:** The 23% tax inclusive rate, resembles our present lowest tax bracket of 15% + 7.65% Social Security/Medicare.
6. **THE FAIRTAX IS BORDER NEUTRAL:** Our exports would go abroad unburdened by any tax component in the price system because under a national retail sales tax, imported goods and domestically produced goods would receive the same U. S. tax at the cashiers counter
7. **THE FAIRTAX IS . INDUSTRY NEUTRAL:** It would eliminate the millions of

dollars in revenue lost through internet and catalogue sales. Each state would recoup this tax dollar.

8. THE FAIRTAX HAS A MANAGEABLE TRANSITIONAL COSTS: To insure that goods are taxed only once, or that money is taxed only once, the FAIRTAX would allow retailers to use inventory on hand with embedded tax, on December 31st as credit against collecting taxes on sales in the new year. Tax revenue would not be lost and the taxpayer would not be over-taxed.

The impoverished and elderly are not taxed because of the rebate. The wage earner gets all his paycheck without deductions. More money to spend will grow the economy. There will be a \$10 billion savings through the elimination of the Internal Revenue Service and think of the peace of mind because of no filing or record keeping.

Sincerely,

Estell Allen
Canyon, Texas