

Don Hull (private individual)

1830 Tahiti Dr
Costa Mesa, CA 92626
Tel/Fax: 714/641-1570

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

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RE: Personal comments on the current tax system

March 9, 2005

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

Gentlemen:

The federal income tax system needs to be scrapped in its entirety. It is a violation of everyone's Constitutional Rights to privacy, life and liberty. Moreover its coercive measures force each taxpayer to violate his own 5th Amendment rights against self incrimination when he is ordered to sign his 1040.

Unfairness: The jerry-built structure, with rewards and punishments handed out according to agreements reached with special interest groups, means a totally irrational collection of deductions and non-deductions in the tax code. Nobody truly knows what is "deductible" and what is not. Even IRS auditors disagree with the result that a dozen tax preparers will invariably come up with a dozen different results for the same taxpayer.

Most foolish of all, progressivity means the highest achievers in the economy are forced to surrender a progressively higher percentage of their income. This negative rewards system destroys innovation and risk-taking among the people we need most—adventurous entrepreneurs who create new start-ups. Imagine if Barry Bonds were progressively taxed on his home-runs—the more he made, the fewer he'd get credit for. He'd have to make 100 homeruns to get credit for 65. He never would have caught Babe Ruth.

The collection of income taxes has created a labyrinthine spy system that snoops into everyone's private business—forcing employers to spy on employees, financial institutions to spy on their own depositors, businesses to spy on their own customers, even husbands to spy on wives, all on behalf of the state. Now today, we have an entirely new "crime," that could only exist from the mountain of information collected by the tax system—identity theft.

Distortion of business decisions: One small example, "hobbies" are not tax deductible, but expenses for one's existing business are. So we have an incentive to spend little or nothing on our "hobbies." Yet many businesses started out as "hobbies." In fact, entire industries began as hobbies. Everyone who created the auto industry was in some other industry at the time. Thus the entire auto industry started out as a hobby. It started around 1900, years before the income tax.

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Henry Ford was an engineer with a utility company, whose "hobby" was building cars. David Buick was a manufacturer of plumbing fixtures whose hobby was designing engines. The Wright Bros. sold and repaired bicycles, but their "hobby" was aviation.

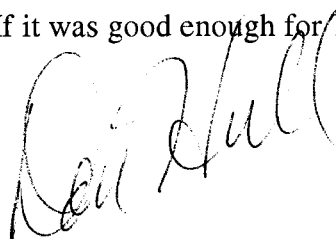
Imagine if the income tax had existed in 1900, and the IRS had disallowed the expenses for their hobbies. There might never have been a Ford or Buick car or a Wright Bros flying machine.

There is only ONE GOAL the Tax Reform Panel should aim for: Morality in government and legality as outlined by our nation's "rule book," The Constitution.

If America is to be a moral nation, we must have moral laws. The income tax is immoral from its concept to its inception to its collection because it is based on coercion and subversion. It should be eliminated once and for all.

Prior to the income tax, the federal government got by very well with tariffs and excise taxes. Government was smaller and less intrusive into our lives. A return to morality would reduce government to its Constitutional parameters and restore the individual freedoms promised by the Framers. (And all this could be done as peacefully as when the Berlin Wall fell in 1989.)

If it was good enough for Thomas Jefferson, it should be good enough for us.



Don Hull

I'm over 50 years old. I've lived in 7 states and one foreign country, and not one fellow human being has ever done me any harm. And I have never harmed anyone else. But I've been audited twice by the IRS, and paid income taxes, under threat, intimidation and flat-out force, for over 40 years.

The only "violence" done to me in all these years has been done by my own government, through the tax system.