

PRESIDENT'S ADVISORY  
PANEL  
ON FEDERAL TAX REFORM  
David A. Roe  
12123 Stirrup Rd.  
Reston, VA 20191-2103  
March 3, 2005 2005 MAR 28 P 3 26

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

Under your Question 2: Aspects of the tax system that are unfair, the **Alternative Minimum Tax** tops everything.

My wife and I are retirees in our late 60s living primarily on our pensions and Social Security because the **Alternative Minimum Tax** forces us to sharply limit how much we withdraw from our savings. In 2004, we withdrew a little more than usual and got hit with a much larger tax because of the **Alternative Minimum Tax**. This year we have greater needs for withdrawals; that plus another year's lack of indexing of the **Alternative Minimum Tax** will cause us to pay even more in additional tax.

Additionally, our real-estate taxes in Fairfax County, VA, have doubled since 2000, yet we lose that deduction because of the **Alternative Minimum Tax**. We also are losing the benefits of the recent rate reductions because of the **Alternative Minimum Tax**.

Under Question 1: Headaches, unnecessary complexity, and burdens, I submit:

- The double computations for the regular tax and the **AMT**.
- The loss of deductions for all taxes in the **AMT**.
- The loss of miscellaneous deductions in the **AMT**.
- The loss of two percent of adjusted gross income for miscellaneous deductions in the regular tax return.
- The many worksheets for just a basic tax return.
- The separation of dividends into qualified and unqualified and the tax penalty for the unqualified portion.
- The separation of capital gains into short-term and long-term and the tax penalty for the short-term portion.
- The limitation of medical deductions to those over 7.5% of adjusted gross income.

Sincerely,



David A. Roe  
(An Individual)