

PRESIDENT'S ADVISORY  
PANEL  
ON FEDERAL TAX REFORM

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Comments to:

The President's Advisory Panel on Federal Tax Reform

From:

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The President's Advisory Panel on Tax Reform  
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Charles S. Tucek

Panel members:

Thank you for the opportunity to express my views. I'll get right to the points.

1. Headaches, unnecessary complexity, and burdens faced. I hardly think I need comment on these since virtually anyone filling out a 1040 would agree that it is a headache; one needs only to peruse the tax code to be overwhelmed with its complexity; and the burden of maintaining the required records relating to the tax form can be staggering. In this last regard, my view is that inasmuch as one is *required* to keep these records, his rights against involuntary servitude under the thirteenth amendment are being violated. On the other hand, the IRS, from time to time, refers to the tax system as being one of "voluntary compliance". However, if one does not volunteer to comply, he will soon hear from the IRS. In addition, its complexity notwithstanding, the tax code seems to have not a single statute which requires a person who lives and works in one of the fifty states to either file a 1040 or pay a tax on his wages. (Perhaps Mr. Rossotti could apprise me of such a statute, if I am in error.) To sum up, there are burdensome philosophical/constitutional/moral questions which many, including myself, have come to recognize and contend with. (A national sales tax would eliminate all of this hassle.)

2. Aspects of the tax system that are unfair. First, I would say that the idea of

a "progressive" tax is unfair. Why should those who "earn" more pay tax at a higher rate? They already are paying more tax by virtue of earning more. ( By the way, I'm not one of those) "Progressiveness" is like penalizing achievement, which leads to stifling incentive, resulting in lower productivity. (I give an example of this in point 3.) Next, I think tax credits and deductions are basically unfair and discriminatory, and may distort personal decisions (point 3). The mortgage deduction for homeowners discriminates against those who choose to rent, and the charitable contribution deduction discriminates against those who choose to not contribute - to give two examples. I know I disagree with President Bush's desires and instructions to you, but there it is. All the other credits and deductions likewise discriminate against those who are not able to take advantage of them. (Also, by the way, I am a homeowner and contribute significantly to religious and charitable organizations.) Thirdly, I am aware that in 1913 Secretary of State Philander Knox committed fraud when he certified the 16th amendment as being properly ratified by the states, and I think it unfair that we be paying an income tax under that circumstance. A two-volume book, "The Tax That Never Was" by one Bill Benson documents this assertion, which book was presented to each member of Congress sometime in the 80's, which would include Mr. Mack and Mr. Breaux. Fourthly, I think it unfair that although the framers of the 16th amendment did not intend that wages be included in

complexity. I would further urge the panel to seriously consider replacing any type of income tax with a national sales tax - a tax on consumption. This type of tax would automatically eliminate all of the objections I have raised to the income tax, and give people the freedom to choose when, and how much they are willing to be taxed, by how much taxable goods they purchase. There would be no need for tax forms, no need to keep records, no need for employers to withhold monies from employees, no tax evasion or avoidance through loopholes, no tax litigation, and no need for an Internal Revenue Service!

Thank you, again, for this opportunity to express my views regarding the Federal Income Tax.

P.S. I have written to both Attorney General John Ashcroft and Mr. George Wolfe, Deputy General Counsel, US Treasury Department - twice each - asking for an opinion regarding the existence in the tax code of a statute requiring an ordinary citizen to file a tax return or pay an income tax. I did not even receive the courtesy of a reply from either of these government "servants". I pray that the members of this panel will treat the issues I have raised more seriously.