

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

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Request for Comments #1

Federal Tax Reform Panel

Kenneth A. White

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Kenneth A. White, Individual

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March 4, 2005

The Presidents Advisory Panel on Federal Tax Reform
1440 New York Avenue NY, Suite 2100
Washington, DC 20220

Dear Sir or Madam:

The current tax filing system is a headache and unnecessarily complex. Below are my issues.

Alternative Minimum Tax (AMT)

Not adjusting this tax for inflation is a major problem. For at least the past two years I've had to complete a worksheet to determine if I had to fill in Form 6251; the result was affirmative. Then I had to file Form 6251 that is 55 lines long only to find out that I don't owe the AMT. The threshold for even having to start the process needs to be substantially liberalized.

Phase-out

Phase-out for exemptions and itemized deductions are a backdoor stealth tax. It's a sneaky way of increasing taxes without stating that taxes are being increased.

Roth IRAs

One cannot do a Roth conversion if income exceeds a certain threshold. That threshold has not changed in many years. The income maximum should be increased resulting in more current tax revenue.

Also, a Roth conversion for a particular year must be completed by December 31. That's a problem, particularly for those with much of their income of a non-wage nature.

Kenneth A. White, Individual

Sometimes you don't know if you've qualified until months after the close of the year. One can undo a wrongful conversion through the recharacterization process but that's a royal pain. The deadline for a Roth conversion needs to be extended to April 15, consistent with contributions to IRAs.

Sincerely,

A handwritten signature in cursive script that reads "Kenneth A. White".

Kenneth A. White