

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

2005 APR 34 P 3 29

To: FEDERAL TAX REFORM PANEL

Comments # 2

From: Mrs. Betty Jean Green
730 Coralberry Ln.
Madison, OH, 44057

Submitted by an individual. April 27, 2005

Part One (submitted by Betty Jean Green)

- 1.1 I favor a consumption tax on all new goods and services purchased by the end consumer, as proposed in the Fair Tax bill, (HR. 25 / S. 25)
- 1.2 There should be no credits, exclusions, deductions, or exemptions for anything bought new. Used or previously owned goods are the only exemptions. The Fair Tax exempts education tuition at all levels because education is an investment in human resources for the future of the economy. Effectively, a credit for families at the poverty level comes as a monthly payment which rebates sales tax on basic necessities. The poor need pay no taxes.
- 1.3 The Fair Tax is revenue neutral. It will raise the same amount of money the government now receives from taxes. It includes funds to cover the “pre-bate” for poor families, and the cost of changing the collection system to a sales tax.
- 1.4 The tax burden should be shared equally by everyone who buys new goods and services in the USA. Those who share the benefits here should support this country. Families below the poverty level should be free of the tax burden on necessities. The Fair Tax accomplishes this.
- 1.5 Under the Fair Tax, charitable giving is not taxed because it is not consumption. Paychecks free of federal tax deductions will allow Americans to donate more generously to charities. In our house, donations to alleviate hunger and to preserve the environment will increase. The federal government should have no part in this area.

(submitted by Betty Jean Green)

- 1.6 The FairTax will make home ownership easier. Only new homes will be taxed. The price of new homes will drop when the 20-25% embedded tax is gone. The deduction for mortgage interest will be a non-issue.
- 1.7 A National Retail Sales Tax would be collected at the point of sale through the same mechanism as state and local sales taxes. The one-time cost of converting the system would be far less than the annual cost of calculating and remitting income taxes. States would receive a share of the NRST to cover collection costs.
- 1.8 With the FairTax, business would pay no taxes on business-to-business sales and purchases. When companies no longer must keep tax records and reports, billions of dollars will be freed to invest in production, thus creating jobs. No industry would need or receive any tax break.

PART TWO

- 11.1 The FairTax is the simplest form of tax. The rate is the same for all. Payment is documented at the point of sale. There are no cover-ups. There is no complicated, convoluted, lengthy tax code requiring thousands of hours for compliance. A consumption tax has proved to be reliable and stable.
- 11.2 A consumption tax is fair. Everyone shares in funding the government. The poor pay no tax on necessities. There are no

(submitted by Betty Jean Green)

loopholes, no tax dodging, no special exemptions. The underground economy, illegal aliens, visitors all pay their share.

11.3 The FairTax would stimulate economic growth. American made goods would be freed of embedded tax costs. Competition would lower prices, making American goods more competitive in the world marketplace. Trillions of dollars tied up in businesses which moved offshore to avoid taxes, could return to the mainland. This would boost the economy.

11.3 Compliance costs would be reduced by 95% with the FairTax.

Businesses and individuals could use the time and money saved for more beneficial activities and investments. As a retired teacher, I would really appreciate making April 15th just another day.

PART THREE

111.1 Transition would involve phasing out the IRS. Establishing the NRSI would simply require modification of existing state and local sales tax collection systems.

111.2 No special trade-offs would be given to any business or individual.

(submitted by Betty Jean Green)

111.3 Special issues – The Social Security Administration would handle the monthly sales tax pre-bate to cover the tax on necessities. For business, inventory credit arrangements would be made for the transition to the sales tax system.