

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

4/24/2005

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TO:

THE PRESIDENT'S ADVISORY PANEL ON FEDERAL TAX REFORM
1440 NEW YORK AVENUE NW
SUITE 2100
WASHINGTON, DC 20220

FROM:

DONALD T DONAHUE
6164 BEECHWOOD DR
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I AM SUBMITTING COMMENTS AS AN INDIVIDUAL WHO HAS BEEN WITH THE AARP TAX AIDE PROGRAM FOR 12 YEARS. MY COMMENTS ARE RELATED ONLY TO THE PERSONAL INCOME TAX PORTION OF THE TAX SYSTEM.

I HAVE WATCHED THE SYSTEM CHANGE AND GROW EACH YEAR UNTIL IT HAS BECOME ONE COMPLETE COMPLEX MESS. THATS WHY I AM AN ADVOCATE OF THE FAIR TAX BECAUSE IT REPRESENTS A WAY OF STARTING OVER.

I PREDICTED SEVERAL YEARS AGO, THAT WITH THE INTRODUCTION OF THE EARNED INCOME CREDIT, WE WOULD SEE FRAUD AND CHEATING AS NEVER SEEN BEFORE. OFFER A SYSTEM THAT OFFERS MONEY BACK AND YOU MUST EXPECT IT. HOW DO WE SOLVE THIS PROBLEM, WE ADD ON MORE CREDITS.

DID YOU KNOW THAT A SINGLE PERSON WITH \$50000 IN DIVIDENDS WILL PAY OVER \$6000 IN TAXES WHILE AN IDENTICAL PERSON WITH THE SAME AMOUNT IN CAPITAL GAIN DISTRIBUTIONS WILL ONLY PAY \$3000? HOW IS THIS FOR FAIRNESS?

I DON'T KNOW IF I'M FOLLOWING THE RULES THE PANEL SET FORTH FOR OFFERING COMMENTS BUT I WOULD LIKE TO PRESENT THE FOLLOWING:

1. AN IMMEDIATE REMOVAL OF SOME FORMS AND A REDUCTION IN WASTE

2. CONCLUSION

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1440 NEW YORK AVENUE NW
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FROM:
DONALD T DONAHUE
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SUBJECT: AN IMMEDIATE REMOVAL OF SOME FORMS AND A
REDUCTON IN WASTE

ACTION TO TAKE: IMMEDIATELY ELIMINATE FORMS 1040EZ,
1040A, SCHEDULES 1, 2 AND 3 AND ALL RELATED BOOKLETS.
REDUCE PRINTING OF ALL FORMS AND SCHEDULES BY 50%.

JUSTIFICATION: OVER 61 MILLION TAXPAYERS PREFERRED e-file
OVER FILING A PAPER RETURN IN 2003. FORM 1040 AND ALL
OTHER REQUIRED FORMS ARE PRINTED OUT FROM THE
PROGRAM USED, THUS NOT REQUIRING THE FORMS SUPPLIED BY
THE IRS.

BECAUSE WE STARTED ELECTRONICALLY FILING, FOR THE FIRST
TIME, AT OUR TAX AIDE SITE IN DADE CITY, FL , WE USED ONLY
40% OF THE FORMS SUPPLIED TO US BY THE IRS. WE HAVE A LOT
OF PAPER LEFT OVER. MY NEXT ORDER FOR FORMS WILL BE 60%
LESS.

THERE MAY EVEN BE A COST REDUCTION.

FROM:
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CONCLUSION

AFTER A WEEK OF STUDYING THE 1040 AND HOW TO REVISE, I SUDDENLY REALIZED HOW EASILY, EVERYTHING FROM FILING STATUS AND DEPENDENTS, INCOME, ADJUSTMENTS AND CREDITS, CAN BE AND ARE BEING MANIPULATED.

THE PRESENT SYSTEM IS IN NEED OF A COMPLETE AND DRASTIC REVISION.

SO I CAME TO THE CONCLUSION THAT THE ONLY WAY, TO ACHIEVE FAIRNESS, WAS WITH A NATIONAL SALES TAX AND WITH A VERY FEW EXEMPTIONS.

I WAS HOPING TO OFFER THE PANEL MORE THAN THIS, BUT THE MORE I LEARNED ABOUT THE PRESENT SYTEM, THE MORE I CAME TO THE SAME CONCLUSION.

I WISH THE PANEL WELL. YOURS IS A DIFFICULT TASK.

