

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

23824—113TH Place West
Woodway, WA., 98020-5204
April 16, 2005

2005 APR 29 P 2:45

President's Advisory Panel on Federal Tax Reform
1440 New York Ave. N. W., Suite 2100
Washington, D.C., 20220

SUBJECT: TAX REFORM

Dear Senator Breaux and Advisory Panel Members

First, the **over 4000 pages of Law and over 45,000 pages of Rules & Regulations is IMMORAL**. There is no way a person can read and know all of that mass of data. Therefore, it becomes a WPA project for politicians, lawyers, and accountants and costs us taxpayers BILLIONS OF DOLLARS each year to file our taxes. Also, with that much mass of data, I'd venture to guess that the IRS auditors could find 99.99% of the taxpayers screwed up on their taxes (even if they had lawyers and CPA's prepare their taxes).

THEREFORE, my recommendation is to **page limit** the total numbers of pages that can be written for the law, rules, and regulations to 500 pages (no smaller than 10 point type). This hopefully would limit the number of special provisions for hundreds of special interest people, groups, and companies. **A copy of this must be mailed to each taxpayer each year.** Get rid of the politicians, lawyers and accountants in writing this document and hire some good English teachers who could write an understandable document. (Many years ago the auto insurance companies came out with an "easy - to - read" policy.)

Second, all U.S. Senators and Representatives must fill out their own tax forms each year with no help from IRS and/or lawyers/accountants or professional tax preparers. The IRS must audit each of these for compliance.

I believe this would be one quick way that would get the politicians attention and simplify the tax preparation in one helluva hurry. They should also be required to certify the date (like CEO's and CFO's of Companies must do on annual statement to stockholders).

Third, the Alternative Minimum Tax is not an "Alternative". This is a lie, if you qualify under the law, you pay—not a choice. It should be done away with.

Fourth, I like the idea that the tax code could be changed only every four years. That makes a lot of sense. I know that would make the politicians, lawyers and accountants unhappy, but it sure would make millions of taxpayers happier.

I would make **all income** taxable— wages, pensions, IRAs, interest, dividends, and social security taxable and have five tax brackets:

All people with income should pay some tax so they will feel and be a part of the country's economy.

Income up to 10,000	tax at 10%
Income 10,000 to 25,000	tax at 15%
Income 25,000 to 75,000	tax at 20%
Income 75,000 to 150,000	tax at 25%
Income over 150,000	tax at 30%

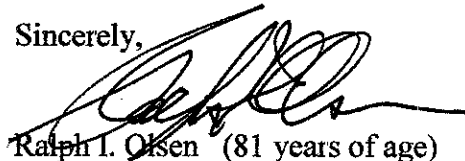
These brackets could be flexible to bring the taxes in line with government expenditures very easily.

I would limit the deductions to children, home interest of primary residence only, make all medical deductible and Contributions to charitable organizations.

General comment: I figure my taxes on five pages of spreadsheet and take it to my CPA for final preparation and it comes back with 20 to 25 pages of mish-mash, much of which are completely meaningless and unnecessary as far as I'm concerned.

Good luck on simplifying the Tax System.

Sincerely,



Ralph I. Olsen (81 years of age)

Retired:

Certified Professional Estimator
Certified Financial Analyst

Email address: ralpholsen@comcast.net