

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

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The President's Advisory Panel
On Federal Tax Reform
1440 New York Avenue NW, Suite 2100
Washington, DC 20220

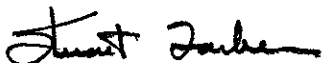
Dear Panel Members :

April 24, 2005

The following suggestions are from Dr. Stuart L. Farber, Dean Emeritus and Professor Mgmt./HRM, CSULB, Long Beach, California:

1. Reduce Federal spending by 10% over a period of two years, approximately 5% per year. The concept is to reduce spending prior to the levying of any uniform tax rate.
2. In the third tax year, introduce a flat tax of 12 % for all joint family income \$200,000.00 or less and individual income of \$100,000.00 or less.
3. All individual or joint income(s) above the levels indicated in point number two, to be taxed at the 24% level.
4. Deductions for home mortgage interests and charitable gifts would be retained.
5. Introduce a Federal tax of 1% levied on all non-food, drug and household items and all imports and exports.

Thank you for consideration of these suggestions. I may be reached for further comment at the following:



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