

Cover

Eugene Key

Fayetteville, GA 30214

04 June 2005

keyew@mindspring.com

770-461-9773

Individual

I was privileged to attend the third panel meeting that presented the alternatives to the Income Tax. I noticed a theme among the presenters. The vast majority described their plan as “like” a consumption tax or “incorporates most of the advantages” of a consumption tax. The obvious conclusion, since Mr. Greenspan endorsed a consumption tax at an earlier meeting, is **why not change to a consumption tax.**

Mr. Armev gave a very effective presentation for the flat tax. He drew laughter from everyone with his comment that he enjoyed consuming and didn't want a tax on consumption. My thought was that maybe if we didn't have a tax on production, that would encourage production and encourage savings. Today, in a two income family, one income goes to pay the taxes. With the FairTax, they would become a true two income family.

There was some concern from several presenters and apparent agreement from several panel members that the 23% inclusive tax rate would be hard to sell politically. In other words, if we tell the truth about the cost of Government, the voters will not back the plan. Let me say that I have been explaining the FairTax plan for several years to large and small groups, and once tax payers understand the concept, they overwhelmingly approve of this plan over the income tax. The common response is “Why haven't they done this years ago?” They desperately want the IRS off of their backs. All of the other plans presented, with the exception of the Best Tax, essentially say that we will continue with business as usual.

Every few years, there is a commission formed to simplify the income tax code.

Recommendations are made and token changes result in some mollification of the tax payers. Then the tax code increasingly becomes more complex and unfair to the vast majority. It's time for everyone to play by the same rules, pay the same rates, and get the same untaxed privileges. Of all of the plans presented, only the FairTax accomplishes this progressively. It's time to break this historical cycle and make a permanent change more in line with our founding fathers ideals as stated in Article 1 of the Constitution. The FairTax was the only plan presented that will accomplish this.

The United States is unique from the rest of the world in that we have a history and are familiar with the concept of a sales tax. The mechanism and oversight is already in place to collect the sales tax. HR/S 25 details the transition to the FairTax and, I trust, would not be as unsettling as some would have you to believe.

With the U.S. moving toward free trade with the rest of the world, it's time that we give our businesses and manufacturers the ability to compete fairly in the world market. Only the FairTax takes the tax expenses out of production. Our studies show that instead of production leaving our country, it will be returning. Therefore, more quality jobs would be available in this country along with a drastically growing economy.

The time has come for the United States to take a leadership role in the world economy. Study after study confirms that the FairTax is sound, simple, fair, and progressive. The FairTax positively impacts everyone on so many levels. Please take the time to

Eugene Key

understand its impact on foreign trade, U.S. currency overseas, Social Security, the underground and illegal economy, compliance costs of the present code, and so much more before you make such an important recommendation.

You have a once in a generation opportunity to recommend a revolutionary change to our method of financing the operation of the U.S Government. Please don't let this unique opportunity get lost in the politics of Washington.

Please recommend the FairTax.

Thank You,

Eugene Key