

My thoughts come from a variety of sources. However simplification and fairness come to mind for description of this concept.

1) THE BASE - a flat tax needs to be identified. Have 3 economists picked by Democrats, 3 from Republicans to come up with a responsible flat tax rate. They might compromise at 18% or 22%. Let the pros figure this one out.

2) DEDUCTIONS - Strip all deductions EXCEPT

- a) Property Tax
- b) Mortgage deduction

ALSO ADD as a deduction

c) RENTER's deductions. Any person who rents their unit gets the same type of deduction as a home owners. This will obviously get the attention of MANY people and create ALOT of support.

Finally:

A VAT tax.

1 PENNY for ANY transaction that occurs in the US. THAT IS PENNY not CENT or PERCENT.

Description: The Penny goes to the Federal Reserve to cover tax payer obligations on all QE. Once deficits reach levels less than 10% of our countries GDP, the penny can be phased out (or maybe kept as a tool to build reserves that could be spent by the congress at a future date).

It is my estimation that well over 1 Billion transactions occur in the US every day. (Think High Frequency Trading). An extra \$365 Billion in Tax revenue could go a long way to fix the deficits. Also, it's a wonderful mechanism to allow politicians the flexibility to commit to more QE or maybe infrastructure projects (in order to weaken the dollar if need be).

This could be sold as an investment in the US. This way EVERYONE is contributing to the country, including those who don't pay taxes or those who are here illegally. I believe if the message was crafter correctly (as an equal investment for all) the general public would find this very attractive.

Conclusion:

This proposal would SIMPLIFY the system. Confusing Government cases against companies would virtually disappear. The bulk of IRS agents could spend more time in the field with much easier criteria.

As stated before, EVERYONE would participate. If crafter properly, the message could sound very Patriotic. Kind of like a Melting Pot? The poor, the wealthy, the middle class.

Finally, the big hurdle: deductions. You would keep the big ones, home ownership. Also by adding renters deductions, you would allow EVERYONE to participate in the deduction. Remember Melting Pot? It would be very attractive.

SIMPLIFIED, FAIR, PATRIOTIC.

Thank you for your time.

Respectfully,  
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