

Gentlemen,

Thanks for taking on the hydra! May God give you wisdom. My idea – a flat rate income tax, with a high deductible (perhaps the current poverty level, to be indexed annually), and take out nearly all other deductions. Stop using the tax code for social engineering – its intended purpose is to raise money to fund our government. Set the rate to be revenue-neutral (16% or whatever it needs to be) and get the new system up & running strong before tweaking it.

Perhaps leave the EIC in place – that’s a judgment call on your part. If so, make sure that the recipients are actually the working poor.

Another judgment call on your part – the taxing of investment income. I’m basically against it since the money invested has already been taxed once – why double up? That might be too big a step to take at the start, and if investment income were to be taxed like ordinary income it would lower the tax rate for everyone.

This would drastically simplify tax filing and might make compliance higher since people could actually file their own taxes without paying someone else to do it for them. I realize there are a lot of businesses that have been built up around our current maze of tax rates, loopholes, etc. and they would become an endangered species. That doesn't bother me – that business is non-productive to our economy and saps funds that would otherwise go into production or consumption.

Anyway, those are my broad strokes – and I realize the devil is in the details. That’s why you gentlemen get the big bucks!

Steve Marsh

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