

Members of this robust Senate body.

I understand you are soliciting suggestions on how to revise the tax system. I have provided my comments in writing before and hopefully they have been included in what you are considering. There are many roads you can take to revise the system of taxation that returns the government to solvency and restore the people's trust in government. Here is the one I propose.

Our tax code is an abomination and must be rewritten in its entirety. The purpose of the tax codes are to raise Federal revenue, not play partisan politics or serve as vehicles to redistribute taxpayers' money.

a. The current system is unfair and too high to individuals, corporations, and non-profits. We see taxes currently driving businesses overseas and causing an increase in citizenship revocation. We clearly need a complete overhaul of our tax code. The current system of tax subsidies, social engineering and refunds greater than the excess of contributions is unfair. The tax code has grown from 400 pages in 1913 and 504 pages in 1939 to 73,608 pages in 2012 and is even larger now with the Affordable Care Act adding significantly to the tax code. The current IRS scandals demonstrate how unfair and convoluted our tax code and system has become. Paying for government should be simple, everyone pays, no exemptions. Tax exemptions for special investments, research and development, accelerated or deferred depreciation, energy credits, and a host of other unique tax clauses all pervert the tax system and associated business practices.

b. So you revise the tax codes by legislatively canceling and repealing all 73,608 pages of tax code and start fresh. Taxes should be reasonable for all. Make tax codes simple, direct and to the point - raise revenue fairly with everyone paying something. Individual rates should be similar to business in the 10-15% range. Refunds are for overpayments only, not for redistribution of income, payment of medical insurance subsidies or the other host of other special interest and social engineering causes currently in place. Try to keep the new tax codes around the 500 pages they were in 1939. This will make compliance much simpler. The only personal reductions of income should be for religious contributions, medical and healthcare expenses and medical savings accounts, higher education expenses (books & tuition), tax deferred savings accounts (retirement accounts), and child care. No more reductions for home loan interest and the other multitude of items now in effect. No increasing personal exemptions that rewards large families. Keep it simple.

c. The 35% corporate tax rate is sending our businesses overseas. We must reduce corporate taxes to between 10 and 15% immediately. The USA should be a magnet for business, drawing companies worldwide because of low business taxes and a business friendly regulatory environment. US businesses operating overseas have increased reporting requirements. Requirements for foreign banks to report on US citizens should be revoked. That only makes it harder for US citizens to own and operate businesses overseas. You should repeal all the reporting associated with the IRS form 5471 and other similar requirements. Do not make life hard for US citizens and business owners where ever they are located.

In summary, repeal the current tax code in its entirety. Create a new structure with individual rates at 10% and 15%. Make corporate tax rates 15%. This will allow self-employed business owners to pay the same tax rate if they pay at corporate or individual rates. Lowering the corporate tax rate will generate a huge influx of foreign investment as currently occurring in Canada since they lowered their corporate tax rate. Eliminate all tax loopholes and special exemptions, rebates, refunds, redistribution tax credits, etc. Keep it simple.

Submitted by  
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