

Stephen H. Funck

ConcordDove@mac.com

<http://thesignofconcord.com>

Most people in the US think their taxes are too high. They are correct. If they would google "tax burden by country", "tax burden on the poor" and make similar searches they would learn, they are mistaken in thinking that taxes for others are high also. The total tax on someone earning \$15,000 a year is about 25%. The tax on someone earning \$1 Billion a year averages about 13%. The tax on small business goes up to 35% but all businesses together pay a total under 2 %. They bigger and more profitable a company is the less they pay. The US has the lowest tax rates in history for high income, businesses and inheritance. When compared with other nations our taxes are exceptionally low. Check out:

http://www.americanprogress.org/issues/2011/06/pdf/low_tax_graphs.pdf

<http://www.washingtonpost.com/blogs/govbeat/wp/2013/09/21/the-state-that-taxes-the-poor-or-the-most-is-a-blue-one/>

<http://www.businessinsider.com/the-global-economy-explained-in-17-maps-2013-9?op=1>

I believe the vast majority of the US population would support the following ideas. This would benefit 90% of the US population. Any discussion of tax rates and economic conditions must include US history. The top marginal rates were 70% - 91% in the glory days of US prosperity. The US has one of the lowest tax rates, burden in the world. It is historically very low for the very rich. The total tax burdens on the less wealthy and middle class have remained significantly heavy. All discussion of the tax burdens must include those facts. The popular opinion that taxes are too high is true for the majority of the population. Where they are mistaken is in thinking that the taxes are too high for the rich also. There is no reason, evidence, that the higher rates of the past damaged the US economy.

Many studies of tax burden on income groups have consistently shown that the burden of all the non-progressive income taxes falls heaviest on those with the least income. So that the combined total tax burden on the poor is close to 25%. The actual SS tax burden on wages is both the employee and employer shares. So that the actual SS and health taxes tax is near 15% on the first dollar earned by the poorest. The current progressive tax rate top at \$400K in today's economy is high middle class. That is not the place for the progressive rates to stop.

Suggestion: refigure the income tax to reflect the actual tax burdens so that they are progressive, with the smallest % on the poorest and with an increasing rate on those with the highest disposable income.

This could mean something like the following
income tax % for income below \$

%	\$	
0	up to 50K	with all other taxes counted they actually pay over 20%
10	up to 80K	
15	up to 120K	15% for an effective rate over 30%
35	up to 1 Million	since SS tax stops, to maintain a similar tax burden
38	up to 5 M	
39	up to 10 M	
40	up to 50 M	
50	up to 100 M	
60	up to 500 M	

70 up to 1 Billion This is the 70% marginal rate for \$200K under Nixon
91 over One Billion in annual income. The 91% rate for \$200K under Eisenhower, glory days of US economic growth.

I expect this would provide higher revenue than our current tax rate schedule. With the burden on those with the greatest disposable income, who can the most easily bear the cost.

Interest, Dividends, Capital Gains

The current 20% rate in effect discourages middle class investment. The 1040 used to exempt a tiny amount of interest and dividends. Replace the current special treatment of dividend, interest and capital gains that benefits the very wealthy.

For radical assistance to the US population and especially to family owned small businesses adopt the following.

Increase both interest and dividend exemption to \$10K for each dependent. Also index Capital Gains and have the same 10 K exemption.

Theoretically a family of four could earn tax free \$120K. Almost no one would qualify for this. However, this should cause a major increase in investment and savings by large numbers of people Many people earning \$400K would make major investments. I expect it would encourage the creation of many small family business. (The underground economy consists of these personal business.) Except for the wealthy, few own investments. The population has a very low savings rate. For most people there is little reason to investment or save.

Idea Business tax - change the base.

Do not tax profit. Businesses together pay a total under 2 % not the statutory 35%. Instead tax gross receipts at about a 2% rate (a rate that would generate the same amount of revenue as now). However include in gross receipts the cash value of every kind of federal, state and local incentives, property tax reductions. The law must say "any and all". If it lists the ones taxed the accountants and lawyers will just change the contracts to suit. This way a business that receives One Million in tax breaks would at least pay something, \$20 K.

Ayn Rand did not consider the powerful owning the government and writing laws to "tilt the deck". What we have is nothing like she proposed. We do not have a free economy. It is controlled to favor the rich and powerful. There never has been a "free economy" if they was any kind of government. Without government, the strongest and meanest control everything.

The tax reduction of 2000 reduced US government income by more than 4 Trillion dollars over the past 10 years. This was "supposed" to create investment and jobs. Question, how many jobs did this 4 trillion dollars create in the US? Are those "jobs" worth the 4 Trillion dollars? Would it have been a better decision to retain the 4 Trillion dollars in the US budget and not greatly increase the Federal debt. Also, that 4 Trillion dollar reduction in Federal money lead to major cut backs in parks, science, and services, seriously damaging the economy, leading to further job loss.

We all complain about the state of US education. However US teachers are underpaid compared to teachers in the nations where pupils do better. (I do not understand why teachers salaries are such a small % of the total expenditures on Education and overhead, staff are so great a %.) We also have nearly the lowest Postage Rate in the world.

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