

Response to request for comments by the Federal Tax Reform Panel on Feb. 16, 2005

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

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Mar. 15, 2005

2005 MAR 29 A 11: 44

Individual submission to Federal Tax Reform Panel

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1) Headaches , unnecessarily complex and burdensom

I am 75 years old and my wife is 70 and we both are very sick and tired of doing our income taxes yearly and spending a lot of time and money trying to comply. We are both involved in a small household business but you would think it was a very large business considering the time and effort exerted in filing the taxes. To comply it is extremely complex and very time consuming which results in businesses with less than 20 employees costing \$1202.00 per employee to comply with the present tax regulations. We surely need a tax system that would make American Businesses Tax Free so that they would be more competitive with foreign Companies. The same reasoning would also be applied to Farmers. This would surely bring back a lot of factories that have been forced overseas.

2) Aspects of the Tax system that are unfair

Why is it that some Millionaires pay little or no taxes while some middle class people pay the most. It is unfair to essentially hide the amount people are taxed - it should be very visible and highly recognizable! The working poor are burdened with the most regressive tax of all, Social Security, which they pay with every paycheck their entire life. We should have a tax system that ends this ~~unscrupulous tax.~~ People on fixed incomes plus all other consumers pay an average of 22 percent in hidden corporate taxes and compliance cost with everything they purchase. Hidden taxes in services also average 25 percent. We sorely need a tax system that ends all this unfairness and we also need a system that does not tax used goods. And finally we need a system that will provide people who are at or below the poverty level a tax free status. The current tax code violates the principle of equality. Special rates for special circumstances violate the original

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constitution and are very unfair. The current tax system places an unfair tax burden on U. S.

Exports and fails to neutralize the tax advantage for imports. The tax system that was instituted in 1913 has evolved into an antiquated, unenforceable morass with annual tax returns long enough to circle the earth 26 times.

3) Specific examples of how the tax code distorts important business or personal decisions.

(no specifics)

4) Goals that the Panel should try to achieve as it evaluates the existing tax system and recommends options for reform.

a) Scrap the entire tax system and start over from scratch - let's not do it half or part way.

b) Come up with a system that makes American Businesses Tax Free.

c) American workers should get their paychecks complete with no Federal withholding of any kind - no longer have to pay the regressive Social Security tax with the threat of huge increases to full fill obligation to us Seniors.

d) No American should pay any taxes, hidden or obvious on the necessities of life up to the poverty level.

~~e) Americans should not have to keep records, file returns and suffer audits.~~

f) Eliminate the need for Financial Institutions having to perform surveillance functions for the IRS.

g) The new tax system should raise the same amount of revenues as the present system - but in a very fair and visible manner.

h) We surely need a tax system that abolishes personal, gift, estate, capital gains. Alternative

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minimum, earned income, social security/medicare, self employment, and corporate income taxes and replace them all with one simple, visible Federal Retail Tax.

i) Eliminate the taxing of income and replace it with a sales tax. This would permit us to be taxed on only what we choose to spend, not on what we earn.

j) The new tax system should not change the final cost of goods and services.

k) The new tax system must be fair, efficient and intelligent solution to the frustration and inequality of our current tax system.