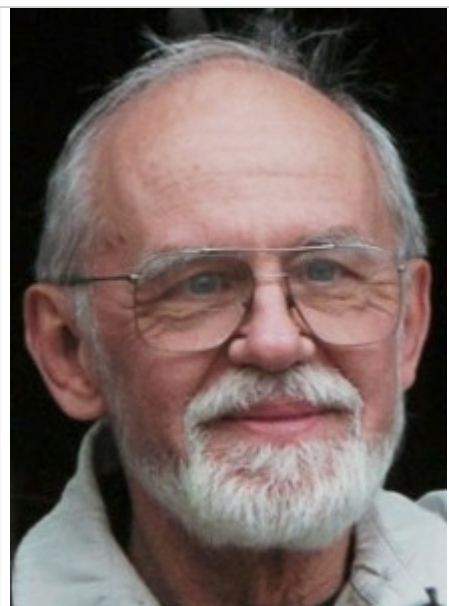


# Unfair Tax vs Fair Tax

## Unfair Tax vs Fair Tax – What You Need to Know



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Which do you prefer?

*Is anyone up for a new idea? Actually, the Fair Tax was designed over 20 years ago but it may be new to you.*

### Fair Tax – Better Way to Collect Taxes

It used to be the case that Americans felt deep in their hearts that we could arise to any occasion, solve any problem, even maybe put a man on the moon. Now we seem to be reliving the old Carter days of malaise. We have given over the future to experts and politicians who have made everything steadily worse and more costly to the point where we look at the state of national affairs with world weary skepticism. Americans do not feel their interests are being taken into account. This is especially true in the case of taxation. You might say this is a new era of taxation without representation. In short, we do not have a fair tax system.

No fair tax system would have over 72,000 pages of regulations. No fair tax would have millions of loopholes for special interests. No

fair tax would give major corporation the incentive to ship employment offshore. No fair tax would be so complicated that you had to hire an expert to do your taxes. No fair tax would have experts who have a hard time figuring it out. No one, in their right mind, could explain, in what way our current system of taxation, is a fair tax system.

### We have only had the income tax since 1912

While many folks have not yet heard of the Fair Tax yet, most of us look upon the Income Tax as a necessary evil, and most of us accept our obligation without question. After all there are some government functions, such as military and police protection, provision for a medium of exchange (money), protections for interstate commerce, etc, etc, which must be funded. We also fail to realize that our nation never has any of what we call modern fiscal depressions before the income tax. Makes you think, doesn't it?

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### The First 126 Years

For the first 126 years or so this nation prospered without an income tax, in fact it was considered unconstitutional. When Prohibition took hold, all of a sudden government revenues began running short. Politicians on both sides of the fence cast about for replacement revenue and the result was the Income Tax made constitutional for the first time by the 16th Amendment. Who could pass up an opportunity to "soak the rich"?

### Soaking the Rich Never Actually Happens

The rick reprice all their tax increases into the costs of good and services they sell. That means when politicians soak the rick, the tax increase is born by the poor, the working poor and middle income wage earners. For example, let us say you own Bush Bean Company. You sell 500 million cans of beans per year. Last year the average price of your beans was \$1.25 per can.

Then along comes a bunch of "soak the rich" politicians. They add \$20 million in new taxes. That tax increase just increased the cost of the beans by \$0.25 per can. Because there has to be a margin on every expense, the Bush Bean Company bean counter (accountant) and another nickle. Next the wholesaler who buys from Bush Bean Company adds \$0.03 per can and the retailer adds \$0.02 per can so the total price increase to the purchaser is \$0.35 per can. Now the average sales price per can is \$1.60.

Now, the customer walks in and complains about the price increase to the grocery store, never knowing it was his Congressman that raised

the price. Some politicians are slick aren't they? Some ever call the grocer a greedy man, when it was the politician who was greedy.

## The Last 102 years have been tough on families

It is now over 100 years since the 16th Amendment passed, and the Income Tax has turned into dead weight for our struggling economy. John F. Kennedy said, *"The largest single barrier to full employment of our manpower.....and to a higher rate of economic growth is....federal income taxes."* Ronald Reagan said, *"Our federal tax system is, in short, utterly impossible, utterly unjust and completely counterproductive... it has earned a rebellion and it's time we rebelled."*

### Where did the Income Tax Idea Come From?

The income tax came from plank 2 of the **Communist Manifesto**.

The income tax discourages investment and productivity. It penalizes exporters who must add the cost of taxes into the price of everything they export. People with high incomes and businesses are leaving the United States to avoid taxes. Working people have up to 25% of their income confiscated before they even get their paychecks. We waste hundreds of billions of dollars and millions of hours every year, filling out forms. People apply for and receive others' refunds. Hundreds of billions in revenue from the underground economy and tax cheating is left on the table. The IRS intrudes into our private affairs and persecutes those deemed to be political adversaries.

Might there not be a better way to collect taxes? Here's an idea that may be new to you. The Fair Tax a word you need to start bringing into your kitchen table budgeting sessions. It's called the FairTax.

The FairTax changes everything. Because it is a tax on consumption, it sidesteps that entire list of evils associated with the income tax.

- The FairTax eliminates all personal and business income taxes, payroll, estate and capital gains taxes.
- It creates jobs and restores the Made in America label by making U.S. products more competitive.
- Economists project it will raise real wages 10% the first year.
  - It will save \$400 billion wasted yearly complying with 75,000 pages of tax regulations.
    - It will end the corruption associated with the sale of tax exceptions for the rich, politically connected, and other special interests.
- It will lower tax rates for all Americans and capture taxes from the underground economy.
- It removes all taxes on necessities up to the national poverty

guideline by means of a tax “prebate”.

- The FairTax will grow the economy by billions of dollars.
- It repatriates Trillions from overseas as the United States suddenly becomes the most investment friendly county in the world. No taxpayer money involved
- It secures funding for Social Security and Medicare with a larger, more stable tax base.
- It is revenue neutral, raising the same revenue as the income tax.
- It gives wage earners their whole paycheck, a 10 to 15% raise!
  - Last but not least, it eliminates the need for the IRS.
    - *It does not create financial depressions*

Several years ago tax attorney [Daniel J. Pilla](#) authored a tract for The Heartland Institute entitled [Ten Principles of Federal Tax Policy](#). *This book is currently out of print but the author has been asked to re-issue this great work as an e-book! Stay tuned.*

The advantage to the Fair Tax is as follows:

1. Simplicity,
2. Non-invasiveness, (protects privacy)
3. Efficiency,
4. Stability,
5. Visibility,
6. Neutrality,
7. Economic Growth,
8. Broad-based,
9. Equality
10. Constitutionality,
11. Prevents Depressions

### The Comparison

If we compare the Income Tax to the FairTax using this standard, the FairTax wins on every count. Research the FairTax for yourself. Be prepared to suspend that old adage that if it is too good to be true, it probably isn't.

Visit the [Fair Tax Website](#) and learn more!