

TAX REFORM FOR WORKING AMERICANS

Here are tax reform ideas that will raise take-home pay, help low-income workers enter the middle class, and grow the US economy for all of us. If you agree, please share it and “like” it on social media. Also send it to your representatives and senators.

1. Apply new tax revenue from ideas below to reducing the current rates of Medicare and Social Security payroll taxes. *(That will result in increased take-home pay for everyone who is employed.)*
2. Create a national sales tax of about 1% on stocks, bonds and other financial instruments. *(A carpenter who buys a new saw to earn income will pay a sales tax. Doesn't it seem fair that someone who buys stock to make money would also pay a tax?)*
3. Create a national property tax of about 1% on accumulated wealth including real estate, personal property and financial assets in excess of \$5 million for a household. Raise it to 2% above \$20 million. *(The very wealthy could continue to grow their fortunes by making productive investments that earn more than the tax rate.)*
4. Apply all income and payroll tax rates used for wages to non-wage income including interest, dividends and appreciation of assets. *(Why is it right to tax income earned by labor at a higher rate than investment income?)*
5. Retain the estate tax which allows a family to pass on \$11.8 million tax-free to heirs and applies a 40% tax rate on larger inheritances. *(Why is it right that those working their way up the economic ladder have payroll taxes on every dollar they earn while the heirs of the wealthy start with billions of tax-free income?)*

RATIONALE: The US economy now features very high corporate profits and very high stock market values. Many corporations have so much money that they are using it to buy back their own stock rather than investing in new productive capacity. The economy needs increased demand for products and services to drive growth. This tax plan puts more cash in the hands of those who work for wages and particularly benefits those with low and middle income jobs. They will spend most of their increased take-home pay on products and services. The increase in demand will create investment opportunities for the wealthy and for corporations. Everybody wins.

CORPORATIONS: There are rational arguments for reducing or even eliminating income taxes on corporations. That can be done by attributing corporate profits or losses directly to shareholders annually and taxing them at their personal rate. A separate rate could be established for offshore holders of stock in US corporations.