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Proposed Changes to US Federal Tax System

Corporate Tax:

1. Eliminate the tax on all "C" corporations

Individual Tax:

1. Eliminate Current filing classifications i.e. Married filing jointly, Married filing separately, Head of Household, Single.
2. Establish one reporting classification: "Income Recipient". Every person whether adult, child, etc. that has income must file a return reporting **ALL** income including Social Security, Pension, and Welfare, whatever. The **types** of income should continue to be reported i.e. wages, Interest, Dividend, etc.
3. Eliminate **ALL** deductions i.e. Real Estate Taxes, Mortgage Interest, Contributions, Medical expenses, etc.
4. The first (lowest) tier/ category for "**Total Income Subjected to Federal Income Tax**" can be set at $1 above the MASS (Maximum Annual Social Security payment that a person would be allowed to receive in a full calendar year – currently about $30,000.00). For my purposes I am presuming that whether or not a person receives Social Security, anyone living within that income would be at a poverty level and should be excluded from tax. But the amount received should still be reported if for no other reason than statistics.
5. The tax rates, for example, can be:

   10% on amounts 50,001 to $100,000
   9% on amounts 100,001 to 250,000
   8% on amounts 250,001 to 500,000
   7% on amounts 500,001 to 1,000,000
   Etc.

Estate Tax:

1. Eliminate the Estate tax.

Social Security:

1. Eliminate the payroll withholding.
2. Have the funding as a % of the individual's income tax paid**. For example the FORM 1040 tax section would read:**

   Computed Tax on income…….$ 10,000.00
   Social Security Tax at 1% ……$ 100.00
   Total tax liability……..$ 10,100.00

   Computation of the **retirement benefit** could have the same type of minimum & Maximum guidelines as currently exist but "Total Income Subjected to Federal Income Tax" would replace the current "Wages Earned".