

# MAKE AMERICA COMPETITIVE AGAIN!

## **SCRAP THE FEDERAL TAX CODE - REPLACE IT WITH ONE EXCISE TAX!**

- eliminate every existing form of federal taxation.
- eliminate the IRS and its ‘Forms and Publications.’
- give all taxpayers the ability to minimize how much they pay in federal taxes.
- balance the federal budget and pay-off America’s \$20<sup>+</sup>-trillion debt.



The American economy will blast-off like a rocket-ship to Mars!



Manufacturing, wholesale and retail businesses will sprout-up all across the U.S.A.!

*Is this too much to expect from the folks you elect to the House, Senate and Oval Office?*

## **Mark your calendar - July 4, 2018 – It’s a modern-day Tea Party!**

**Imagine this:** Instead of dumping tea in the Boston harbor, tens-of-thousands of American Patriots email a link to this website to everyone on their email list. **On July 4, 2018, and every month thereafter**, millions of American Patriots dump millions of letters and emails on the desk of the President, the Speaker of the House, the Senate Majority Leader, and Fox News Headquarters (see page 9). Here’s the link: <http://www.untaxincome.com>

**Imagine that:** The birth of America – a much tougher fight than a fistful of American Patriots dumping a boatload of letters and emails on the desks of those elected to represent *We the People!*

**Do nothing and this website will cease to exist on July 4, 2019.**

**Suggested reading: Atlas Shrugged and Capitalism, The Unknown Ideal**

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Born in America and instilled with patriotism by kith and kin, Pullman advocates personal and economic freedom for all Americans and a debt-free America.

# SCRAP THE TAX CODE – MAKE AMERICA COMPETITIVE AGAIN!

America’s Founding Fathers understood the evils of direct taxation, “*No capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken.*”

Clearly, there is no rhyme or reason to the federal tax system – it just collects taxes from a mishmash of different tax schemes, none of which have anything to do with how much revenue is needed to pay the cost of government. Every year, compliance, waste and fraud costs us billions of man-hours and dollars. Worst yet, our national debt exceeds \$20-trillion. Indeed! Our current system of raising federal revenue just doesn’t cut-it.

Is there an alternative? Can we balance the budget and pay-off America’s \$20-trillion debt? You bet!

Imagine receiving your paycheck, pension check or Social Security check - free of any federal deductions for income, Social Security and Medicare taxes! Put your brainstem into overdrive and imagine eliminating capital gain, inheritance, corporate income, and Social Security, Medicare and unemployment taxes paid by employers!

First, we must throw off the forms to which we have become accustomed (capitation and other direct taxes) and think outside Form 1040. So, let’s scrap the tax code and devise a tax system that does not hinder competition and that enables individual taxpayers to manage, and even minimize, the amount they pay in federal taxes.

Logic demands that the tax system not burden taxpayers with billions-of-dollars and man-hours in form-filling paperwork, that taxes be uniform, that no person or group of people are exempt from taxation at the expense of all other taxpayers, and that the system is mathematically tied to the amount of money needed to fund government.

The impartial logic of math demands that we identify a common denominator. Energy, in numerous forms, is consumed by every person, business and organization physically present in the United States, i.e., all citizen residents, all legal and illegal non-citizen residents, all businesses and organizations, all tourists<sup>1</sup> and all criminals.

Energy consumed can be measured by the British Thermal Unit (BTU).

2016 U.S. Fiscal Year Revenue Budget (approximately) 4.1-trillion dollars<sup>2</sup>.

2016 U.S. primary energy consumption totaled 97.4 quadrillion British Thermal Units (BTU).<sup>3</sup>

Let’s do the math:

$$\frac{\$4,100,000,000,000}{97,400,000,000,000 \text{ BTUs}} = .0000421 \text{ cents per BTU.}$$

The cost of energy will increase by .0000421 cents per BTU.

**Bottom line: all energy consumed in U.S. is subject to an excise tax of .0000421-cents per BTU.**

**It must be noted that America’s Founding Fathers were proponents of excise taxes, as here, applicable to all.**

<sup>1</sup> In 2015, approx. 77.5-million tourists visited the U.S. (travel.trade.gov/view/m-2015-1-001/table1.asp).

<sup>2</sup> The Fiscal Year Revenue Budget equals required tax revenue minus projected revenue from fines, forfeitures, rents, royalties, etc. To keep it simple - fines, forfeitures, rents, royalties, etc., were not deducted.

<sup>3</sup> U.S. Energy Information Administration (eia.gov).

# SCRAP THE TAX CODE – MAKE AMERICA COMPETITIVE AGAIN!

## Common sense stuff:

Basic math allows the “excise tax per BTU” to decrease as consumption increases and increase as consumption decreases. In an emergency, it can be increased.

Every business adds the cost of energy used to produce and distribute a product or service to the cost of the product or service. Clearly, it is end consumers who ultimately pay the cost of all energy consumed.

Relative to the consumption of fuels such as gasoline, diesel fuel, heating oil and propane, the local dealer selling the product collects the applicable excise tax (per gallon) from end users at the point of sale, and then forwards the collected taxes onto whatever federal agency is tasked with overseeing collection.

Relative to the consumption of natural gas, the public or private utility selling the product to end users collects and forwards, in the same manner, the applicable excise tax.

Relative to the consumption of electricity, the public or private utility selling the product to end users does not pay an “excise tax per BTU” at their point of purchase for energy sources utilized in the production of electricity. Instead, these utilities collect and forward, in the same manner, the applicable excise tax (per kilowatt hour).

The broad expansion of the tax base enables across-the-board tax relief.

Individual taxpayers, regardless of income, through more efficient use of energy and/or energy sharing, can manage and even minimize the amount they pay in federal taxes.

Businesses and organizations operating in the United States can further reduce the amount they pay in federal taxes by sharing energy and/or by being frugal in their use of energy.

Working children and young adults living at home will not pay much in the way of federal taxes (it is parents who pay the monthly bills, i.e., lights, heating, cooling, etc.).

U.S. citizens living or working abroad and U.S. military personnel stationed overseas are not “physically present” in the United States. So, they don’t pay the “excise tax per BTU.” Besides, these folks will pay a host of taxes imposed on consumers by the respective countries in which they reside.

Criminals operating in the U.S.A. will be taxed just like everyone else (page 7 will make you laugh out loud).

What about energy consumed by government? Relative to the consumption of 97.4-quadrillion BTUs, the amount of energy consumed by government is almost insignificant. From a practical standpoint, let-it-ride.

And, finally, energy sources exported from the U.S. are not subject to the “excise tax per BTU.” Why not?

## **Because we must (again) become, and remain, competitive in the world market!**

Pullman proposes that Social Security and Medicare, and all other federal programs, be funded by the five subgroups set forth above. FYI: Law-abiding Americans already fund Social Security and Medicare over-and-above payroll deductions, as Congress has repeatedly ‘borrowed’ money from trust funds set-up to fund these programs.

One wild thought - in the event the elected members of the House and Senate are ever able to cut waste, fraud and unnecessary spending throughout all departments, the “excise tax per BTU” will dramatically decrease. Of course, these folks can be un-elected!

# SCRAP THE TAX CODE – MAKE AMERICA COMPETITIVE AGAIN!

## Form 1040 v. Make America Competitive Again! – guess who wins!

### Form 1040EZ – based on 2016 tax rates.

Abe Lincoln and his wife, Mary, rent a modest home in Gilbert, Arizona. Mary does part-time volunteer work at the local clinic for drug-addicted children and adults.

Abe and Mary filed Form 1040EZ (filing status: married filing jointly).

Abe's gross income: \$57,828 – couple's taxable income: \$37,128.00.

\$4,641.00	Income tax.
\$3,585.00	Social Security payroll tax.
\$ 838.00	Medicare payroll tax.
\$ 85.00	Excise tax/gasoline – 12,000 miles/year @ 26-mpg = 462-gallons.
\$ 30.00	Compliance cost + two-hours-time to drag out paper-work, complete 1040EZ, and mail.

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**\$9,179.00**      **Total tax and compliance costs.**

### Make America Competitive Again! – based on 2016 data

#### No tax forms - No tax deductions – No tax credits

\$ N/A	Income tax eliminated.
\$ N/A	Social Security payroll tax eliminated.
\$ N/A	Medicare payroll tax eliminated.
\$ 2,342.00	Excise tax/gasoline - 12,000 miles/year @ 26-mpg = 462-gallons (ref. page 10).
\$ 23.00	Excise tax/propane - 275-gallons/year (ref. page 10).
\$ 598.00	Excise tax/electricity - 4,160 kilowatt hours/year (ref. page 10).
\$ N/A	Compliance cost eliminated.

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**\$2,963.00**      **Abe and Mary pay \$6,216.00 less in federal taxes/compliance costs.**

Abe can further reduce his taxes by carpooling to work and splitting the cost. Or, if public transportation is available, Abe can ride the bus to work. Abe's employer, a manufacturer of candy bars, paid excise taxes on energy the business consumed producing and distributing the bars, divided the total excise taxes by 50-million bars, and added a proportional fraction of the tax onto the price of each bar. How much did this manufacturer pay in other federal taxes? Nada! All existing taxes, including corporate income, capital gain, FICA, SECA, etc., were scrapped!

# SCRAP THE TAX CODE – MAKE AMERICA COMPETITIVE AGAIN!

## Form 1040 – based on 2016 tax rates.

Retirees Paul and Wilma Calhoun filed Form 1040 (filing status: married filing jointly).

Wilma does part-time volunteer work at the same clinic as Abe's wife, Mary.

Couple's gross income from Social Security: \$37,128.00.

\$	N/A	Couple's Social Security Income not taxed.
\$	N/A	Social Security payroll tax not applicable.
\$2,616.00		Medicare deductions from both Social Security checks.
\$	57.00	Excise tax/gasoline – 8,000 miles/year @ 26-mpg = 308-gallons.
\$	30.00	Compliance cost + two-hours-time to drag out paper-work, complete 1040, and mail.

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**\$2,703.00**      **Total tax and compliance costs.**

## Make America Competitive Again! – based on 2016 data

No tax forms - No tax deductions – No tax credits

\$	N/A	Income tax eliminated.
\$	N/A	Social Security payroll tax eliminated.
\$	N/A	Medicare deductions from Social Security checks eliminated.
\$1,562.00		Excise tax/gasoline – 8,000 miles/year @ 26-mpg = 308-gallons (ref. page 10)
\$	23.00	Excise tax/propane - 275-gallons/year (ref. page 10)
\$	598.00	Excise tax/electricity – 4,160 kilowatt hours/year (ref. page 10)
\$	N/A	Compliance cost eliminated

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**\$2,183.00**      **Paul and Wilma pay \$520.00 less in federal taxes/compliance costs.**

Former VP Al Gore – a very wealthy environmentalist, who, by his own choice, consumes enormous amounts of energy as he flits about town, will pay substantially more in federal taxes than the average Joe. Surely, with a little willpower, this old fossil can cut-back on his consumption of fossil fuels!

# SCRAP THE TAX CODE – MAKE AMERICA COMPETITIVE AGAIN!

## Form 1040EZ – based on 2016 tax rates.

John Hanson and his good friend, George Washington, who some call “millennials,” work as electricians at the Phoenix Sky Harbor International Airport. Both single, they rent a small house just off West Camelback Road, not far from the airport. As roommates, they split the rent and utilities, carpool to work, and share their “ride” nearly everywhere they go. They each earn \$57,828.00 a year.

John and George, with great dismay, each ‘file their taxes’ using Form 1040EZ (filing status: single).

Gross Income: \$57,828.00 (each) – Taxable Income: \$47,478.00 (each).

\$7,640.00 (each) - Income tax.

\$3,585.00 (each) - Social Security payroll tax.

\$ 838.00 (each) - Medicare payroll tax.

\$ 64.00 (each) - two-way split - \$127.00 - excise tax on gasoline– 18,000 miles/year @ 26-mpg = 692-gallons.

\$ 30.00 (each) - compliance cost + two-hours-time to drag out paper-work, complete 1040EZ, and mail.

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**\$12,157.00 Total tax and compliance costs paid by John.**

**\$12,157.00 Total tax and compliance costs paid by George.**

## Make America Competitive Again! – based on 2016 data

### No tax forms - No tax deductions – No tax credits

\$ N/A Income tax eliminated.

\$ N/A Social Security payroll tax eliminated.

\$ N/A Medicare payroll tax eliminated.

\$ 3,509.00 Excise tax/gasoline - 18,000 miles/year @ 26-mpg = 692-gallons (ref. page 10).

\$ 47.00 Excise tax/propane - 575-gallons/year (ref. page 10).

\$ 1,195.00 Excise tax/electricity – 8,320 kilowatt hours/year (ref. page 10).

\$ N/A Compliance cost eliminated.

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**\$4,751.00 Total taxes – no compliance costs.**

**John and George, as roommates, split their energy costs, including applicable excise taxes, and their rent.**

John paid half of the total - \$2,376.00. George paid the other half - \$2,376.00.

**John and George each paid \$9,781.00 less in federal taxes/compliance costs.**

# SCRAP THE TAX CODE – MAKE AMERICA COMPETITIVE AGAIN!

## Form 1040 and Schedule C– based on 2016 tax rates

Little Al Capone, a local, two-bit drug dealer, hauled in \$57,828.00.

Little Al operates throughout Phoenix, but lives a low-key life in a modest home, just down the street from the drug-addiction clinic where Mary and Wilma volunteer.

Little Al, *“I don’t pay no frigging income taxes!”*

*“I don’t pay no frigging Social Security taxes, neither!”*

*“Dude, you deaf? I said I don’t pay no Medicare stuff!”* (Rated G - Little Al didn’t really say “stuff”).

\$ 127.00 Excise tax/gasoline – 18,000 miles/year @ 26-mpg.

\$ 00.00 No compliance equals no compliance cost.

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**\$ 127.00 Total tax - no compliance costs.**

## Make America Competitive Again! – based on 2016 data

No tax forms - No tax deductions – No tax credits

\$ N/A Income tax eliminated.

\$ N/A Social Security payroll tax eliminated.

\$ N/A Medicare payroll tax eliminated.

\$ 3,509.00 Excise tax/gasoline - 18,000 miles/year @ 26-mpg = 692-gallons (ref. page 10).

\$ 47.00 Excise tax/propane - 575-gallons/year (ref. page 10).

\$ 1,195.00 Excise tax/electricity - 8,320 kilowatt hours/year (ref. page 10).

\$ N/A Compliance cost eliminated.

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**\$4,751.00 Little Al, *“Waaaaa! I don’t wanna pay no frigging taxes!”***

Little Al Capone buys his illicit drugs from a 100,000-member drug cartel operating in all 50-states. The cartel consumes massive amounts of energy during production and distribution of its illicit wares. Every member of the cartel, just like Little Al, needs to shelter, feed, warm, cool and transport their drug-dealing tushes around town. Kingpins of the trade live in large, energy consuming estates surrounded by a garrison of guards and automobiles.

There you have it - criminals can no longer sidestep paying federal taxes – and still don’t dare report their ill-gotten-gains to “the feds” (SS Administration). That’s money-in from criminals - but no money-out to criminals!

***Well, boo-hoo for the criminals!***

# SCRAP THE TAX CODE – MAKE AMERICA COMPETITIVE AGAIN!

## DO THE MATH!

**Dig out your receipts/tax returns for 2016 – and do the math/comparison as set forth in the previous examples.**

How much energy did you consume in 2016?

Gallons of gasoline?

Gallons of diesel fuel?

Cubic feet of natural gas?

Gallons of propane?

Gallons of heating oil?

Kilowatt hours of electricity?

Reference page 10 for BTU ratings applicable to commonly used energy sources.

Go to [eia.gov](http://eia.gov) for BTU ratings applicable to other energy sources.

### RECAP:

Every existing form of federal taxation is eliminated.

No tax returns to file – the IRS and its *Forms and Publications* are eliminated.

No federal income, Medicare or Social Security taxes deducted from your paycheck.

Billions-of-dollars and man-hours (currently) spent on compliance costs are freed-up - to be put into productive use.

The tax system, by design, broadly expands the tax base by including all citizen residents, all legal and illegal non-citizen residents, all businesses and organizations, all tourists and all criminals.

The broad expansion of the tax base enables across-the-board tax relief.

Individual taxpayers, regardless of income, through more efficient use of energy and/or energy sharing, can manage and even minimize the amount they pay in federal taxes.

Businesses and organizations can further reduce the amount they pay in federal taxes by sharing energy and/or by being frugal in their use of energy.

The tax system is mathematically tied to the amount of money needed to fund the federal government.

The federal budget can be balanced.

The federal debt can be paid off.<sup>1</sup>

<sup>1</sup>How do we pay-off America's \$20-trillion debt? Raise the excise tax per BTU by just a smidgen, via a sunset clause, and then lower it back down after the debt is paid off. It must also be noted that substantial and prolonged economic growth, as a result of scrapping the existing tax code as set forth herein, will aid in paying down the federal debt, i.e., substantial and prolonged economic growth will generate a significant rise in the nationwide consumption of energy – and therefore more tax revenue.



# SCRAP THE TAX CODE – MAKE AMERICA COMPETITIVE AGAIN!

## EXERCISE YOUR RIGHT TO PETITION THE GOVERNMENT

**Place a copy of this page next to your computer.**

Feel free to copy the following:

I vote in every election. I'm overtaxed. The budget never balances. America's debt exceeds \$20-trillion. For a viable replacement of the U.S. tax code, please go to: <http://www.untaxincome.com>. Please be advised that I "did the math" as set forth on the website and realized a substantial reduction in the amount I pay in federal taxes. Please understand that I expect the President and every member of Congress to take my concerns seriously. Please visit this website and make it happen.

**Once a month - mail and email your short message to:**

**President Donald Trump:** <https://www.whitehouse.gov/contact>

The White House, 1600 Pennsylvania Ave., NW, Washington, DC 20500.

**House Speaker Paul Ryan:** <http://www.speaker.gov/contact>

Office of the Speaker, H-232 The Capitol, Washington, DC 20515.

**Senate Majority Leader Mitch McConnell:**

<https://www.mcconnell.senate.gov/public/index.cfm?p=ContactForm>

Senate Majority Leader Mitch McConnell, 317 Russel, Senate Office Bldg., Washington, DC 20510.

**EXERCISE YOUR FREEDOM OF SPEECH – MAIL & EMAIL A COPY OF YOUR PETITION TO FOX NEWS**

**Fox News Manager:** [newsmanager@foxnews.com](mailto:newsmanager@foxnews.com)

Fox News Channel, 1211 Avenue of the Americas, 2<sup>nd</sup> Floor, New York, New York 10036.

**STOP** sending letters and emails when the House, Senate and President climb aboard.

**Do nothing and this website will cease to exist on July 4, 2019.**

# <sup>A</sup> COMMONLY CONSUMED ENERGY SOURCES

(illustration purposes only)

## <sup>B</sup> ELECTRICITY:

1-kilowatt hour = 3,412 BTUs.

1-kilowatt hour = excise tax of 14.365 cents (3,412 times .0000421 cents/BTU equals 14.365 cents).

## <sup>C</sup> NATURAL GAS:

1-cubic foot = 1,037 BTUs.

1-cubic foot = excise tax of 4.366 cents (1,037 times .0000421 cents/BTU equals 4.366 cents).

## <sup>D</sup> HEATING OIL:

1-gallon heating oil = 138,500 BTUs.

1-gallon = excise tax of \$5.831 (138,500 times .0000421 cents/BTU equals \$5.831).

## <sup>E</sup> COMPRESSED PROPANE:

1-gallon propane equals 19,333 BTUs.

1-gallon propane = excise tax of 8.139 cents (19,333 times .0000421 cents/BTU equals 8.139 cents).

## **GASOLINE** (automotive grade)

1-gallon gasoline = 120,476 BTUs.

1-gallon gasoline = excise tax of \$5.072 (120,476 times .0000421 cents/BTU equals \$5.072).

## **DIESEL FUEL** (automotive grade)

1-gallon diesel fuel = 137,452 BTUs.

1-gallon diesel fuel = excise tax of \$5.787 (137,452 times .0000421 cents/BTU equals \$5.787).

<sup>A</sup> All data from U.S. Energy Information Administration (eia.gov).

<sup>B</sup> In 2016, about 4.08 trillion kilowatt hours (kWh) of electricity<sup>1</sup> were generated at utility-scale facilities in the United States. About 65% of this electricity generation was from fossil fuels (coal, natural gas, petroleum, and other gases), about 20% was from nuclear energy, and about 15% was from renewable energy sources. The U.S. Energy Information Administration (EIA) estimates that an additional 19 billion kWh (or about 0.02 trillion kWh) of electricity generation was from small-scale solar photovoltaic systems in 2016.

<sup>C</sup> In 2016, the United States consumed 32.6474-trillion cubic feet of natural gas.

<sup>D</sup> Distillate-fuel with 15 to 500 parts per million sulfur content.

<sup>E</sup> 1-gallon of propane contains 35.97-cubic feet of propane gas.

<sup>1</sup> Preliminary data for 2016.