

# Elections are always – Just around the corner!

**Is your party looking to pick-up a majority of seats in the House and Senate?**

**Perhaps your party has an eye on the office of the President, too?**

Here's how to get votes – lots and lots of votes...

(1)

Tell voters that your party has a plan to balance the budget, pay-off the debt, un-tax income, abolish the IRS, give all taxpayers significant, across-the-board tax relief, and enable all taxpayers to minimize the amount they pay in federal taxes.

(2)

Don't play favorites! Give ALL taxpayers significant, across-the-board tax relief, and enable ALL taxpayers to minimize the amount they pay in federal taxes.

(3)

Show voters the plan – direct voters to <http://www.untaxincome.com>

Here's the plan:

Scrap the federal tax code and replace it with ONE excise tax.

Details on following pages...

## Scrap the federal tax code and replace it with ONE excise tax

The tax system set forth below is based on logic – not partisan politics. The sole purpose of the tax system is to raise enough revenue to pay the cost of government.

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 be exempt from taxation, and that the system be 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:

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

Energy consumed in the U.S. and its territories is subject to an excise tax of .0000421-cents per BTU.

97,400,000,000,000,000 BTU's times .0000421 cents per BTU equals a balanced budget (\$4.1-trillion).

<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 federal tax code and replace it with ONE excise tax

## Common sense stuff:

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, i.e., inclusion of all citizen residents, all legal and illegal non-citizen residents, all businesses and organizations, all tourists and all criminals, 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.<sup>1</sup>

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!**

Under this tax plan, Social Security and Medicare, and all other federal programs, are funded by the five subgroups set forth above.

FYI: Taxpaying Americans already fund Social Security and Medicare over-and-above payroll deductions.

<sup>1</sup>Nuclear materials utilized for research and medical purposes, and by the U.S. Military for weapons, vehicle propulsion, etc., are exempt from the excise tax per BTU.

# Scrap the federal tax code and replace it with ONE excise tax

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

Don 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.

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

Don'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.**

## ONE EXCISE TAX – 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 Don and Mary pay \$6,216.00 less in federal taxes/compliance costs.**

Don can further reduce his taxes by carpooling to work and splitting the cost. Or, if public transportation is available, Don can ride the bus to work. Don'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 100-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 federal tax code and replace it with ONE excise tax

## FORM 1040 – based on 2016 tax rates.

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

Wilma does part-time volunteer work at the same clinic as Don'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 Part B 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.**

## ONE EXCISE TAX – 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.**

# Scrap the federal tax code and replace it with ONE excise tax

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

John and his good friend, George, 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.**

## ONE EXCISE TAX – 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 the federal tax - \$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 federal tax code and replace it with ONE excise tax

## 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.**

## ONE EXCISE TAX – 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 federal tax code and replace it with ONE excise tax

## Do the math!

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

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

Go to <https://www.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 – and 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 debt can be paid off.<sup>1</sup>

<sup>1</sup>America is over \$21-trillion in debt. How do we pay off the debt? In addition to cutting waste, fraud and unnecessary spending, 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.

Welcome to Page 9.

So, would you like your elected representatives in Congress to enable you to minimize the amount you pay in federal taxes?

**Exercise your right to petition government!**

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

Feel free to copy the following:

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>. Be advised that I expect the President and every member of Congress to take my concerns seriously.

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

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

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

**Senate Majority Leader Mitch McConnell:**

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

**House Minority Leader Nancy Pelosi:** <https://www.democraticleader.gov/contact-us/>

**Senate Minority Leader Chuck Schumer:** <https://www.schumer.senate.gov/contact/email-chuck>

**Exercise your freedom of speech! Share your petition with a news outlet!**

**CNN:** <https://twitter.com/cnn>

**Fox News:** <https://twitter.com/foxnews>

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

# <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.