THE TRANSPARENT TAX™

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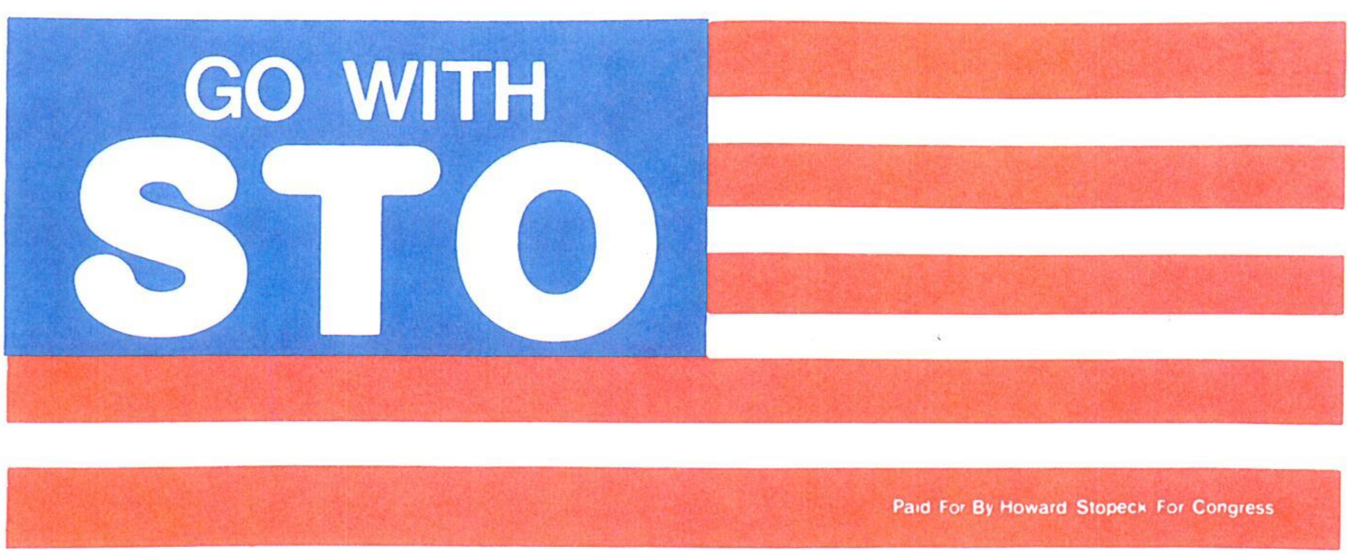
16% personal flat tax with $25,000 household exemption
28% corporate flat tax with $1 million exemption
Revenue neutral to duplicate current revenue

How it does more for the poor than merely keep them alive

How it abolishes all tax avoidance loopholes

How everyone will pay their fair share

Undisputable supporting statistics



TRANSPARENT TAX ™ Revenue in trillions adjusted to the nearest ten billion

16% personal flat tax to collect $1.65 trillion, a 13% cut in personal taxes.
28% corporate tax to collect $.35 trillion, doubles taxes corporations now pay.

The only federal tax under the Transparent Tax other than customs/excise:

- 16% flat tax on personal income, with a household exemption of $25,000 for married households, $15,000 for singles, retains the Earned Income Tax credit and child tax credit. The revenue collected from people under our current tax system is $1.91 trillion, reduced to $1.65 under the Transparent Tax, or a 13% tax cut, or $.26 increased disposable income and duplicates current revenue to fund government (revenue neutral).
- Cuts top corporate tax rate from 35% to 28% flat tax on receipts, less expenses, less a $1 million exemption, so small firms, main engine of our economy, pay no corporate tax, will self invest and create long term free market jobs. $.18 trillion corporate revenue under current tax is increased to $.35, which doubles corp tax, shifts tax burden from households to corp, revenue neutral duplicating current revenue to fund government. Corporate gross corp receipts average about $21.1 trillion (1020 returns, 2008-$.23, 2009-$.20, 2010-$.33). 1% of gross receipts is $.21, more than needed to cover the 13% personal tax-cut and they spend more than that to reduce or avoid their tax burden and monies they paid to congressmen to enact tax-incentive-loopholes, so they could get away with paying no federal tax.

Our current tax system is not equitable, efficient or simple and a failure. We're not saving or investing, businesses are closing all around us and firms are not hiring the 27 million without jobs. We need to keep American firms from leaving and encourage foreign firms to come here. Because our tax system has no accountability, Congress legislates more spending with no transparency, leaving Congress with a free hand to spend without limit. We can't decide how much government we want until we see the money is coming out of our pockets and it's not other people's money. CBO projects unending deficits by spending more than we're collecting, enroute to becoming another Greece and jobless Americans

I designed my tax reforms, I named the Transparent Tax with the help of Boston University economist, Laurence Kotlikoff, one of America's leading public finance experts, who says, "The Transparent Tax would be great for America, so everyone knows who pays for every penny government spends. To determine the economic affect of the Transparent Tax on every household's living standards, I retained Professor Laurence Kotlifoff who used his financial planning software program ESPlannerPLUS www.esplanner.com for very poor, middle-income, high-income and very rich; and compare the Transparent Tax side by side with our current tax and 999. Each household couple is 40 years old, live in Georgia, have 2 kids 8 and 12 who leave home at 19, work through age 67 and live to age-100. Riches don't work, earn 3% percent after inflation on assets. The following is the present value of each couple's lifetime taxes:

Transparent Tax Impact on 5 Households - Calculated by renowned Boston University economist, Prof. Laurence Kotlikoff's esplanner.com, #1 ranked financial planning software. Assume these GA couples are 40, have 8 and 12 year-olds. Poors, Middles, High Incomes work to 67. Riches don't work. They earn 3% on assets after inflation. Lifetime taxes are present value.

The Poors - Each spouse earns $15,000, $50,000 mtge. no retirement or checking $700/mo rent. $30,000 less 2-child $25,000 household exemption = $5,000 x 16% = $800 tax under Transparent Tax, less $5,112 fully refundable Earned Income Tax Credit in excess of tax liability or $4,312 refund, pay no FICA or any tax.

- Lifetime taxes of the Poors under current tax system is $61,462.
- Lifetime taxes of the Poors under Transparent Tax is negative $2,207.
- Lifetime taxes of the Poors under 9-9-9 is $176,104 (290% tax increase).

Middle-Income: Couple earns $100,000 to 66, each spouse has $100,000 401(k), contributes $1,500 to 401(k) with $1,500 match, they're paying off $150,000 mortgage and other housing expenses.

- Lifetime taxes of Middles under current tax system is $498,121.
- Lifetime tax of Middles under Transparent Tax is $347,157 (30% tax decrease)
- Lifetime taxes of Middles under 9-9-9 is $638,732 (27% tax increase).

Very High Labor Earners - Couple earns $400,000 through 66, big home with $600,000 mtge. and housing expenses, $400,000 regular assets, each has $400,000 401(k) each contributes $6,000 to 401(k) with $6,000 match.

- Lifetime taxes High Labor under current tax system is $ $3,856,397
- Lifetime tax High-Labor under Transparent Tax $2,263,545 (42% tax decrease)
- Lifetime tax High-Labor under 9-9-9 is $2,487,982 (36% tax decrease).

Super High Labor Earners - Couple earns $10 million through 66, huge home with mortgage, $2 million in regular assets. Each spouse has $1 million 401(k) account, each contributes $15,000 to 401(k) with $15,000 match. Couple has a $10 million mortgage plus other housing expenses.

- Lifetime taxes Super-High under current tax system is $204,432,130.
- Lifetime taxes Super-High under Transparent Tax $113,963,835 (45% tax decrease)
- Lifetime taxes Super-High under 9-9-9 is $124,936,865 (39% tax decrease).

Idle Rich: Couple don't work, $5 million assets, $5 million 401(k), huge home, no mtge.

- Lifetime taxes Idle-Rich under current tax system is $2,350,051.
- Lifetime taxes Idle-Rich under Transparent Tax $2,108,961 (10% tax decrease).
- Lifetime taxes Idle-Rich under 9-9-9 is $2,598,683 (10% tax increase).

Transparent Tax closes Loopholes Large US firms claim unfair competition with foreign nations because our highest corp tax rate is 35% higher than other country's tax rates; but with tax incentives, their actual rate is less than tax paid in Japan, China, Germany and Canada, which tax loopholes result in over $.6 trillion lost revenue over next 5/yrs. Since these loopholes are not included in National Income and Product Accounts definition of corporate income, they are eliminated by the Transparent Tax.

- Accelerated Depreciation of Machinery and Equipment, benefited by airlines and mfgs using large equipment that lasts many years. Allows deducting depreciation of equipment at once not years it takes to depreciate. This is govt. giving up-front, interest free loan. 5-yr cost to govt: $51.7 billion.

- Alcohol Fuel Credit, benefited by food and Midwest agricultural conglomerates. Tax credit to produce alcohol-based fuel, ethanol, made from corn, from $0.39 to $0.60 per gal to encourage alternative forms of energy to imported oil. Props up price of corn, popular in Iowa and Illinois. 5-yr cost to govt: $32 billion.

- Deferral of Income from Foreign Corp, benefited by multinational firms who defer paying taxes until they transfer overseas profits to US, so they leave profit overseas indefinitely, paying only that country's tax, lower than US rate, permanently avoid US taxes. 5-yr cost to govt $172.1 billion

- Research and Experimentation Tax Credit, benefited by pharmaceutical, high-tech, engineers, agricultural conglomerates and firms with foreign operations. Intended to spur research and development. This allows a 20% tax credit for qualified research expenses paying firms to do research they would have done anyway. Five year cost to government: $29.8 billion.

- Inventory Property Sales, benefited by multinationals with operations in high-tech foreign countries. Foreign income of US firms taxed in country where generated and they get a tax credit for that amount to avoid double taxation. Some firms accumulated a glut of such tax credits (the "inventory"), and to use them, they artificially boost foreign income through a "title passage rule" that allows them to allocate 50% of income from US products sold in another country as income generated by that country or "property sales". 5-year cost to govt: $16.7 billion.

- Deferred Taxes for Financial Firms on Income Earned Overseas, benefited by firms with foreign operations. Because most financial firms collect their foreign operations as branches rather than subsidiaries, as most firms in other countries do, they don't benefit from tax breaks afforded to foreign subsidiaries. To compensate, they treat income from their foreign branches as if they were subsidiaries, along with all attendant tax benefits. 5 year cost to govt: $29.9 billion.

- Deduction for Domestic Mfg benefited by US Firms Producing in US, covering conventional mfg extends to industries like software development and film production. 5 yr cost to govt: $58 billion.

- Exclusion of Interest on State and Local Bonds, benefited by high-income investors and firms who do not pay tax on interest from state and municipal bonds investments of their own projects benefiting the public, as constructing an airport, stadium or hospital. 5-yr cost to govt. $59.8 billion

We are on a leaky ship of state, bailing out water to keep the ship afloat. Those who ignore the leaks by extending the debt ceiling is like the "Emperor's New Clothes", where those who opened their eyes saw that the emperor was naked. We must to do more than merely keep the poor alive. We did nothing and do nothing to care for the poor, beyond just keeping them alive for their vote, which violates God's Commandment to care for the poor, or the moral equivalent.

Instead of creating a tax system to provide govt services that's equitable, efficient and simple, we created a system of parasites and plunderers locked in a demonic enterprise of competing concepts of fairness and "mumbo-jumbo" tax avoidance schemes, shelters and loopholes, created by a devil who crept into our system, addicting and bewitching us with the dope of dueling favoritism we cling to like a life preserver on the ocean, let alone mountains of administrative costs. Our tax system offers a fairytale solution, like Rumpelstiltskin spinning straw into gold or rubbing Aladdin's Lamp. The Transparent Tax is a real solution to lower poor and middle-income taxes and improves their living standards. It is not a fairytale.

"It is the duty of every man to help the poor so they'll feel there's some hope for them in life. The greatest dangers to liberty lurk in the insidious encroachment by men of zeal, well-meaning but without understanding." Louis Brandeis. We must help the poor, the widow, the orphan and the stranger, so they'll feel there's some hope for them in life, not just keep them alive. We must do a better job caring for the poor than what we've been doing. We have not lifted the poor from the dust. We caused them to fall by our bungling zeal. We violated our obligation to God, or moral equivalent. We committed a sin that must be undone by teaching the poor how to fish so they will stand erect, prosper and live with dignity.

Momma eagle brings rats to the nest to feed her eaglets. When they're capable of flight, she'll push her babies out of the nest, watch them fly and live like eagles. Some want momma eagle to bring rats to her babies forever, so they'll stay in the nest forever eating rats and never fly. I want to help the poor fly like eagles. Until then, we must maintain our safety net for the widow, the orphan and the stranger we welcome in our tent. Our food stamp program will be changed to each qualifier issued photo ID credit card for food staples that reads bar codes and keeps an accounting.

The ostrich that sticks his head in the sand; thinking if he doesn't see the lion, the lion won't see him, will be eaten by the lion. All special interests, discrimination, tax breaks, favoritism or inequality is evil, whoever claims it. Martin Luther King taught us, "Nothing in the world is more dangerous than sincere ignorance and conscientious stupidity. He who passively accepts evil is as much involved in it as he who helps to perpetrate it. He who accepts evil without protesting against it is really cooperating with it."

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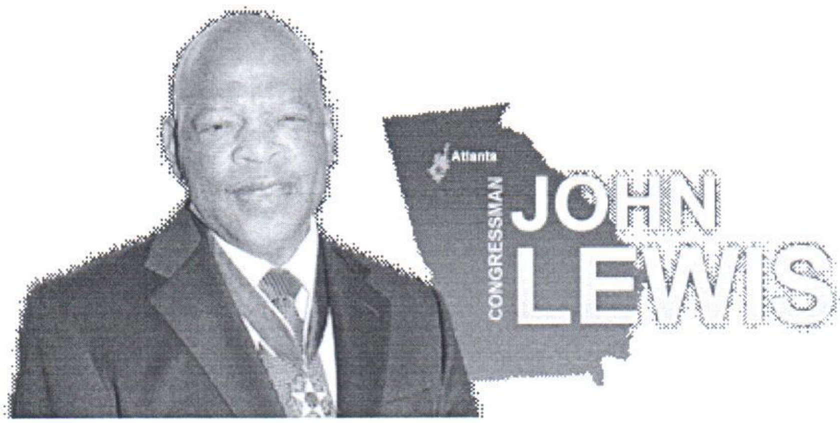

Rep. John Lewis Says Everyone Should Pay Their Fair Share of Taxes

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WASHINGTON –Rep. John Lewis repeated his call for Congress to restore tax fairness for the middle class, beginning with the Buffett Rule. The Buffett Rule ensures that people making over $1 million per year do not pay a lower tax rate than middle-class Americans.

"It is simply unfair to ask middle class Americans to pay a higher tax rate than millionaires and billionaires," said Rep. John Lewis. "People understand the need to sacrifice, but not when they are repeatedly cut to the bone while others are given a break."

"That is not fair," said Rep. Lewis. "Profitable giant corporations like GE made $14 billion in profit last year and not only paid no taxes but received millions from the federal government in a tax return. Why can't GE pay something to help our nation's bottom line, especially when our economy is trying to recover? Instead, the Republicans argue people making $30,000 should pay even more in taxes so big corporations can keep their profit, along with tax returns paid out of the federal Treasury. That money could be used to serve Americans—families, children and seniors. If these ideas become law, the middle class, which is already struggling with high energy costs, stagnant wages, exorbitant health care costs, higher education and food costs will find it much more difficult than it already is to make ends meet."

"The American people, "said Rep. John Lewis, "need to ask themselves who their members represent. Are they representing the interests of the majority of Americans, the middle and working class, or are they only interested in the advancing the causes of the rich."

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John Lewis' says the rich don't pay their fair share of taxes.... we need to restore middle-class fairness... the rich should pay the same tax rate, and so forth. Whereas Cong Lewis' only solution is repeating that over and over, my Transparent Tax is the solution to improve middle-class living standards by 10.2%, reduce their taxes, shifts the tax burden from households onto corporations, incentivize small and mid-size business to expand, invest and create the long term free-market jobs we've been waiting for.

STATISTICS FOR ECONOMISTS TO CONFIRM AND VERIFY

Calculation of Tax Rates Under the Transparent Tax. The Transparent Tax is a plain, simple, efficient, and revenue neutral tax reform. It has two features. First, it replaces the current personal income tax and payroll taxes with a 16% tax on all married household personal income above $25,000. To ensure it maintains assistance to the working poor, it retains a single tax credit, the Earned Income Tax Credit. This new flat-rate, personal income tax provides households, as a group, with a 13% tax cut compared to the current system. This loss in revenue is made up via a doubling in corporate tax revenues. Second, the Transparent Tax replaces the current corporate income tax with a 28 percent tax levied on corporate taxable income in excess of $1 million. Corporate taxable income is measured according to the National Income and Product Account (NIPA) measure, which differs from the current definition primarily with respect to the treatment of depreciation. Transparent Tax provides for economic, rather than accelerated depreciation. In addition, each year's total corporate income, no matter whether earned at home or abroad, is taxed. There is no deferral of foreign-source corporate income for tax purposes.

Calculating the 16% Tax Rate on Total Personal Income Under the Transparent Tax: The estimated 16% tax on personal income was derived as follows. Total personal income and social insurance receipts payroll taxes in 2011 is $1.910 trillion. (Table B80, 2012 Economic Report of the President). 2011 corp tax revenues were $181 billion. The Transparent Tax raises corporate tax revenues to $500 billion and lowers taxes on households by same amount, namely $319 billion ($500 billion - $181 billion). The revenue target, ignoring cost of Earned Income Tax Credit, for 16% flat personal income tax, is thus, $1.910 trillion less $319 billion or $1.591 trillion. Adding $59 billion for Earned Income Tax Credit (http://money.cnn.com/2012/04/12/pf/taxes/earned-income-tax-credit/index.htm) produces final targeted revenue of $1.650 trillion. According to table B27 2012 Economic Report of the President, 2011 national income, measured at producer prices (excluding taxes on production and imports less subsidies net of business transfer payments), totaled $12.486 trillion. According to 2009 (latest available year) IRS Statistics of Income (http://www.irs.gov/pub/irs-soi/09in21id.xls), 140.5 million tax returns were filed in 2009. Providing each of these married tax returns with a $25,000 exemption comes to $1.4027 trillion. Providing each of these single tax returns with a $15,000 exemption comes to $1.266 trillion. In combination, these exemptions reduce tax base by $2.668 trillion. Subtracting $2.668 trillion from $12.486 trillion generates a tax base of $9.818 trillion. But this figure must be increased by $391 billion to account for married households earning less than $25,000 for whom the excess of the $25,000 over their income would not be refundable. This produces a final tax base of $10.209 trillion. Taxing this base at 16.16% produces the targeted $1.65 trillion revenue. Note that unlike the current personal income tax, personal income under The Transparent Tax is defined to accord with the measure of national income measured at producer prices. In particular, this means all corporate income will be imputed to households and subject to taxation at the personal level regardless of what share of corp profits are paid out as dividends as opposed to held by the corp as retained earnings. Since FICA tax is eliminated under the Transparent Tax, workers will receive their full pre-tax wage and all of it will be subject to the 16% tax rate.

Calculating 28% Tax Rate on Total Corporate Income Under Transparent Tax. The 28% corp tax rate is designed to generate an additional $250 billion in revenue, which exactly offsets the reduced revenue to be collected from households under personal income tax. Corp profits are reported in Table B28 of the 2012 Economic Report of the President. Determination of 28% tax rate needed to achieve a doubling of corporate tax revenues was based on 2011 data. Table 5-Returns of Active Corporations, IRS 2008 Statistics of Income (http://www.irs.gov/pub/irs-soi/08co05ccr.xls) was used to determine the share of total corporate income that would be subject to taxation after exemption of first $1 million of corporate income. Specifically, the table was used to calculate average taxable income per return at different ranges of gross business receipts. If average net income per return in a particular receipts range-category was less than $1 million, all taxable income in the range-category was assumed to avoid taxation under The Transparent Tax. For range-categories who average net income per return exceeded $1 million, a calculation was made of average net income in excess of $1 million in the range-category. This amount was then multiplied by the total number of returns in the range-category to determine total taxable net income under The Transparent Tax in the range-category. Summing these amounts and dividing by total net income provided the estimated share of NIPA-measured corporate profits 91 percent - will be subject to Transparent Tax. Multiplying this share by NIPA-measured corp profits (estimate for 2011 of $1.953 trillion) provided the corp tax base for The Transparent Tax. Multiplying this tax base by .281 produces the targeted revenue of $500 billion.

Corporate Total Receipts: Amount from which the 28% corp flat income tax is assessed is total receipts or income [Business receipts, interest, interest on govt obligations, rents, royalties, net S-T capital gain less net LT loss, net L-T capital gain less net ST loss, net gain, non-capital assets, other receipts], less total expenses [cost of goods, compensation of officers, salaries and wages, rent of business property, taxes paid, interest paid, amortization, depreciation, advertising, pension profit-sharing, stock annuity, employee benefit program], less $1 million exemption. If $1 million exceeds said total receipts, the corp tax liability is zero.

Corporate Profit: Defined by National Income and Product Accounts as inventory valuation and capital consumption adjustments (1–10) is net current-production income of organizations treated as corporations in NIPA's, consisting of all entities required to file Federal corp tax returns, including mutual financial institutions and cooperatives subject to Federal income tax; private noninsured pension funds; nonprofit institutions that primarily serve business; Federal Reserve banks; and federally sponsored credit agencies. With several differences, this income is measured as receipts less expenses as defined in Federal tax law. Among these differences: Receipts exclude capital gains and dividends received, expenses exclude depletion and capital losses and losses resulting from bad debts, inventory withdrawals are valued at replacement cost, and depreciation is on a consistent accounting basis and is valued at replacement cost using depreciation profiles based on empirical evidence on used-asset prices that generally suggest a geometric pattern of price declines. Because national income is defined as income of U.S. residents, its profits component includes income earned abroad by U.S. corp and excludes income earned in the U.S. by the rest of the world. (See "inventory valuation adjustment" and "capital consumption adjustment.")

Corporate Taxable Income: Measured according to National Income and Product Account (NIPA), which differs from current definition primarily with respect to treatment of depreciation. It provides for economic, rather than accelerated depreciation. In addition, each year's total corp income, no matter whether earned at home or abroad, is taxed. There is no deferral of foreign-source corp income for tax purposes.

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