**The Fair Tax® (FT) is a Fraud – we need a 10% “Tithe” Tax!**

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FT is a fraud – it is MOREwealth redistribution, AND a financial scam.

In their own words, FT proudly advertises that it is MOREProgressive (more welfare).

Of prime importance, the Prebate is NOT a real refund of FT paid, as it appears to be. It is a new $600B ENTITLEMENT, which would have ***all*** Americans receiving a substantial monthly check from the federal govt – a very bad idea for those of us who are not Socialists. It is financially and politically unwise to create yet another huge entitlement that will only increase in the future.

FT (Prebate) would have the poor make no contribution towards the federal budget, pay nothing even for their personal SS/Medicare benefits, AND give them a large tax welfare check. FT (Prebate) extends tax welfare to the non-working poor – and also takes the next Progressive Cloward-Piven step towards giving SS/Medicare to all regardless of work, by removing the tax “penalty” for reporting SS Wages, thereby “inviting” the fraudulent reporting of SS Wages (as noted by other authors).

The Prebate is apparently calculated to merely repay the poor for any FT they pay, but actually would pay them far MORE than any FT they might pay, by “assuming” the poor spend ***more*** than the underlying HHS Poverty Guidelines and also by “assuming” they will pay FT on ***all*** of their purchases, (but they WON’T) - and FT also provides free SS/Medicare to the working (and some non-working) poor – see [bit.ly/1BOlcZT](file:///C:\Users\scecpa\Documents\16%20FD%20complete\H.R.%2025%20STATES%202014\bit.ly\1BOlcZT)

Some FT’ers today still market the original FT lie that we would get a large raise from the elimination of the Income Tax, AND prices after FT would remain the same as today’s - but that just cannot be true. FT is merely supposed to change the method of paying the same total dollars of tax we pay today, so that if you get a big raise, prices must go up by the same total dollar amount (except for a minor amount for savings in compliance costs) . Retail prices would ***rise*** by nearly the full 30%. Even the AFFT and an economist it engaged admit that prices would rise substantially, but prices would rise even higher than they admit - see [bit.ly/1ELKVqb](C:\\Users\\scecpa\\Documents\\16 FD complete\\H.R. 25 STATES 2014\\bit.ly\\1ELKVqb)

FT results in a 40-70% in-your-face sales tax that would spark a taxpayer revolt destroying our retail-

sales-sensitive economy. That 40% is the sum of 30% (not 23%) FT, plus (e.g.) 10% S/L sales tax.

That 70% is the increased rate needed at a sample 30% FT evasion rate (the FT incredibly assumes ***zero*** evasion and ***zero*** intentional reduction in spending and ***zero*** migration from new to used goods).

In addition to that 40-70% tax, the FT also contains hides another about 15% or more in taxes (but FT’ers fraudulently say that “the FT is fully transparent - just look at your receipt and you will see all of the FT you will pay”). 1) FT’s 30% rate is really 42+%; the 12+% is hidden by having fed + S/L govts paying FT (which is likely unconstitutional) – ultimately, they must get that money from you. 2) The initial 30% rate is 1-5% short and that plus any other revenue shortfall will have to be made up by raising more FT, or by a NEW Income Tax, 3) The fed budget will rise for a) higher SS benefits for large SS & federal pension COLA’s caused by FT’s nearly 30% price increase, and for b) fraudulent new SS benefits “invited” by FT’s removal of the “tax penalty” for reporting SS Wages (as noted by other independent authors ) – more FT (or a NEW Income Tax) would be required to fund these. ***Used*** property is advertised as exempt from FT, but that may be a ***cruel hoax***, because of the practical difficulty of establishing that the buyer has met the requirements that FT was paid and that ***none*** of 3 listed credits against the FT wereclaimed.

FT’s ***new*** IRS (i.e., STAA) may well be far worse, far more invasive than today’s IRS (the buyer is liable to pay FT and receive/show a receipt – STAA may well audit consumers) – also we may well have to file an “Annual FT Summary”. See Myth that the FT “Abolishes the IRS” at [bit.ly/1xqIOTQ](file:///C:\Users\scecpa\Documents\16%20FD%20complete\H.R.%2025%20STATES%202014\bit.ly\1xqIOTQ)

As also noted by Cato Institute (see [bit.ly\1vNxnq3](file:///C:\Users\scecpa\Documents\16%20FD%20complete\H.R.%2025%20STATES%202014\bit.ly\1vNxnq3) ), FT leaves us more vulnerable to winding up with BOTH a NEW Income Tax AND FT. Congress will repeal FT’s laughable Sunset Clause and (with the 16th Amendment surely still firmly in place and using the excuse of the large revenue shortfall from evasion/avoidance) would enact a NEW Income Tax which I believe is Congress’ true ultimate objective – i.e., to be able to grab even more of our money to redistribute to those who will vote for them and contribute to their campaigns.

Seniors would start to pay for SS/Medicare again and some would pay a 2nd-3rd tax on their earnings. Many middle class seniors would pay more FT than they would have paid in Income Tax and many would lose purchasing power because of 1) the nearly 30% price increase, and 2) the higher S/L & federal taxes required because they must pay FT and can only get those funds from us, and 3) higher federal taxes due to nearly 30% higher SS & federal pension COLA’s and fraudulent SS benefits.

FT promises grand economic benefits which are all unpredictable - mere Hype & Change. FT employs marketing hype and hyperbole, making countless unsupportable claims.

We need a Flat Income Tax; No Deductions, No Exemptions, No Credits and a 10% rate, with business income taxed to shareholders on a very simple basis (i.e., no corporate income tax) - See H.R. 1040 (which has been included in Paul Ryan’s new budget), but with changes as noted here - IRS is neutered, 1 page tax filing, everyone pays, more evolutionary. Let your representatives in Congress know that this is what you want. SEE [bit.ly/1nYMxI6](file:///C:\Users\scecpa\Documents\16%20FD%20complete\H.R.%2025%20STATES%202014\bit.ly\1nYMxI6)