
Subject: Scrap the income tax!

Posted by [Hydra](#) on Mon, 25 Apr 2005 01:28:46 GMT

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On the issue of outsourcing: if you want to stop businesses from outsourcing jobs to foreign countries, eliminate minimum wage laws.

Now, to bring the thread back on topic...

"The Facts About The FairTax" brochure

Price Stability
It may seem surprising that a sales tax of 23% won't raise prices, but it makes sense. Today, companies pass on their tax and compliance costs to consumers. Those costs are hidden in the price of everything we buy.

With the FairTax, businesses will no longer have any federal taxes to pay, will no longer have to devote money and manpower to compliance, and won't pay tax on the purchases they make (because the FairTax applies only once to the final purchase of goods and services). That savings will dramatically lower the costs of production in this country, keeping tax-inclusive prices at about where they are today.

In fact, Dr. Dale Jorgenson, Chairman of the Economics Department at Harvard University, has projected an average producer price reduction of 20% in the first year after adoption of the FairTax. That means that retailers will be able to maintain their current profit margins while lowering prices to consumers.

SuperFlyingLiberalToolAll you've said is that an "embedded" tax would be removed because of the removal of income tax from companies. Would the prices of products really drop more than 23% before this new sales tax is applied? Somehow, I doubt that.

Dr. Dale Jorgenson doesn't.

Quote:And if adding a 23% sales tax to all products results in the overall cost of products going down, where does the government get its' money?

If by asking, "Where does the government get its money?" you are asking how the government will be funded, the answer is from the sales tax gathered from the purchase of all new goods and services.

I must not be understanding your question clearly, because what you seem to be asking has already been answered in this thread.

j_ball430The largest spenders are not always the ones with the biggest incomes. Take for instance a family with several kids. They probably only make maybe \$30,000 - \$40,000 a year and have to support their kids. This FairTax plan will hurt them substantially. You said that there would be special rebates on necessities for this kind of situation, but I don't see how that will change much if anything at all.

Single parent with two children making minimum wage

Annual income: \$10,712

A couple living solely on Social Security

Annual income: \$25,944

Married couple with two children

Annual income: \$32,136

Single mother with two children and mortgage

Annual income: \$45,000

Married couple with two children and mortgage

Annual income: \$65,000

Married couple with two children and a homeowner

Annual income: \$100,000

All the previous links were found on this page.

How does the rebate work?

After reading all that...

j_ball430This FairTax plan will hurt [the family with several kids] substantially.

How so?
