

---

Subject: Scrap the income tax!

Posted by [Hydra](#) on Wed, 25 Aug 2004 23:33:19 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

There's not an American out there who would disagree with me when I say the current tax code imposed by the federal government is damaged beyond repair. Working Americans are fed up with huge portions of their paychecks being withheld to pay for social security and medicare taxes. They're even more fed up when they have to file for their income taxes on April 15 every year.

Of course, we can't just all of a sudden end all federal taxes since taxes are necessary for the government to function, so how do we replace the current defunct tax code with a system that would still provide the government with funds necessary to function? Implement the FairTax Plan.

What is the FairTax Plan, you ask? Quite simply, it is a nation-wide sales tax placed on all goods and services sold in the United States. Spending up to the poverty level is tax-free with the FairTax rebate.

The FairTax Plan has been proposed to the House of Representatives as a bill under the title HR 25.

For the complete text of HR 25, go here and type in "H.R. 25" in the "Search by Bill Number" box.

Think about it. No more income taxes. No more withholding. People will be able to keep all of the money they earn and be able to spend it as they see fit!

---

---

Subject: Scrap the income tax!

Posted by [Crimson](#) on Wed, 25 Aug 2004 23:46:25 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

I would love that... and it would be equal because people who have more, buy more, and hence pay more taxes.

---

---

Subject: Scrap the income tax!

Posted by [SuperFlyingEngi](#) on Thu, 26 Aug 2004 00:04:11 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

Oh my god, all taxes in sales tax? THAT'S A RIDICULOUS IDEA!

First, we can't privatize social security, because when we do that, the current people who are using it don't get any money. It doesn't work on putting money away for oh-so-many years, when you pay taxes on social security, that money is used to pay for the social security of the people who are currently getting it.

To implement a sales tax, there would have to be a 26% tax on everything you buy, assuming it's a flat tax on everything. That means 26% on houses. A 100,000 dollar house would end up costing you 126,000. But not on yachts. America doesn't make yachts. We exported those jobs.

So, rich people go to France with their million dollars to buy a yacht, on which the sales tax is zero.

This idea was so stupid that when President Bush said this, when he got back to his handlers, they slapped him right and left and yelled at him never to say that again. It proves George Bush in no way understands economics, and neither do you two.

---

---

Subject: Scrap the income tax!

Posted by [Hydra](#) on Thu, 26 Aug 2004 00:28:56 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

...Super, I'm going to let you go back and actually read the bill itself and look around on that website I posted. Then, once you've actually done a little research on the topic at hand (not once did I mention privatizing social security), you won't look so ignorant when you make your rebuttal.

---

---

Subject: Scrap the income tax!

Posted by [SuperFlyingEngi](#) on Thu, 26 Aug 2004 00:36:21 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

hydra1945Working Americans are fed up with huge portions of their paychecks being withheld to pay for social security

So, being fed up with paying for social security means we're not going to pay for it any more, right? Or does this mean that Americans are fed up and will have to stay fed up?

And what is so big in this bill besides ending all taxes except for sales tax? Solely having a sales tax is one of the worst economic ideas ever. Period.

---

---

Subject: Scrap the income tax!

Posted by [Hydra](#) on Thu, 26 Aug 2004 00:45:00 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

SuperFlyingEngiSo, being fed up with paying for social security means we're not going to pay for it any more, right? Or does this mean that Americans are fed up and will have to stay fed up? \*sigh\* I was referring to withholding. You do know what withholding is since you know sooooo much about economics and our tax code, right? Then you would know that portions of Americans' paychecks are withheld and paid to the government solely for Social Security and Medicare.

Quote:Solely having a sales tax is one of the worst economic ideas ever. Period. Prove it.

But before you do, I suggest you look here for how the FairTax plan will impact the economy.

---

---

Subject: Scrap the income tax!

Posted by [SuperFlyingEngi](#) on Thu, 26 Aug 2004 00:47:20 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

hydra1945\*sigh\* I was referring to withholding. You do know what withholding is since you know sooooo much about economics and our tax code, right? Then you would know that portions of Americans' paychecks are withheld and paid to the government solely for Social Security and Medicare.

So we wouldn't withhold money for Social Security and Medicare but instead pay for it another way? Why is that so great? Just let me see what you think on it.

hydra1945 Prove it.

Read my first post, if you haven't already.

---

Subject: Scrap the income tax!

Posted by [Hydra](#) on Thu, 26 Aug 2004 00:58:35 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

SuperFlyingEngiSo we wouldn't withhold money for Social Security and Medicare but instead pay for it another way? Why is that so great? Just let me see what you think on it.

<http://www.fairtaxvolunteer.org/pdf/taxreform.pdf>

You actually get to keep all of what you earn if withholding is no longer a part of the tax system.

Quote:Read my first post, if you haven't already.

You mean that crap about buying a home for more money? Don't you realize that you would have more money to spend in this system?

---

Subject: Scrap the income tax!

Posted by [SuperFlyingEngi](#) on Thu, 26 Aug 2004 01:04:59 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

hydra1945

You mean that crap about buying a home for more money? Don't you realize that you would have more money to spend in this system?

But everything would cost 20% more, which would inhibit growth.

hydra1945You actually get to keep all of what you earn if withholding is no longer a part of the tax system.

But you would spend it right back because everything would cost so much more.

---

---

Subject: Scrap the income tax!

Posted by [Nukelt15](#) on Thu, 26 Aug 2004 01:53:43 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

I'll put it this way...

Would I rather have a 20% sales tax, or a 30%(just a ballpark estimate, not actual data) income tax? I'm not exactly up on my income taxes(I've never had an income, so I've never had to pay them), but as I understand income taxes can total up to over a third of a person's income. A sales tax will only take as much of my money as I are willing to spend on it- the less I buy, the less I pay.

Let's say you want to get a \$22,000 car. Let's just say you get \$30,000 for your annual income. If you have a 30% income tax, you can't buy the car, plain and simple- you're \$2000 short(not counting the sales tax in your state). However, with a 20% sales tax and no income tax at all, the total price of the car is \$26,400- and you still have money left over(\$3,600 to be exact).

Note that I was just giving an example, and did not factor in such things as food, rent, water and electric bills, etc. I believe, however, that the point there should be pretty clear. Unless you spend up a storm and exceed your income, you really DO have more money to work with at the end of the day.

That's just one take on it, of course. I could easily imagine someone blowing more money on sales taxes than they did on income taxes- they get more from each paycheck, so they go and spend themselves stupid. Then again, that's not much different than people who charge up a storm on their no-limit credit cards then forget to pay their bills.

If a larger sales tax ends up being the only tax I ever pay, I'm all for it. I'd happily open up a savings account and shove all the extra money from NOT being taxed into that account to earn interest, gaining even more money in the process.

HOWEVER...

The long term effects of such a change could be either good or bad. Depending on how much people spend, you could either have far more or far less money for social security and other programs. Seeing how much money people are willing to blow(even when they don't have any to begin with), I predict that the effects would not manifest themselves unless something REALLY nasty were to happen- something like a catastrophic stock market crash.

---

Subject: Scrap the income tax!

Posted by [Hydra](#) on Thu, 26 Aug 2004 02:35:00 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

The United States GDP was about \$11 trillion as of May 11, 2004. The budget for the federal government is approx. \$2.5 trillion (not sure if that's the right number, but can't be bothered to look it up ). When you do the math, \$2.5 trillion is just about 23% of \$11 trillion. Instead of having a myriad of different taxes all feeding into that \$2.5 trillion budget, you'd have just one kind of tax

that adequately funds the federal government.

The current tax code is full of loopholes and other problems (among them, the IRS (need I say more about the IRS?)). A national sales tax would do away with all of those problems presented by the current tax code.

I kind of mentioned this in my first post, but not all that well....

Spending up to the poverty level is tax-free thanks to the FairTax rebate that's written into the law.

<http://www.fairtaxvolunteer.org/smart/faq-main.html#3>

---

---

Subject: Scrap the income tax!

Posted by [NHJ BV](#) on Thu, 26 Aug 2004 10:26:33 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

I think this is pretty much impossible to implement unless you close all borders and double-check anyone entering the country. Otherwise it would be very lucrative for people who live close to the Canadian or Mexican border, I think (assuming we're talking US here).

---

---

Subject: Scrap the income tax!

Posted by [ViperFUD](#) on Thu, 26 Aug 2004 11:51:25 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

SuperFlyingEngi

But everything would cost 20% more, which would inhibit growth.

But you would spend it right back because everything would cost so much more.

Ok, kiddo.

I'm cutting you some slack here, cause you're young, and you've shown intelligence other times.

Check this shit out, though:

Right now, the government takes 25% of my money. I don't even earn that much, but I'm in a 25% tax bracket.

If instead of taking 25% of my money right now, I would rather they took 25% of what I SPENT. ie, I only lose money if I actually spend it. Why? Well, cause most of my savings are gonna go towards paying for college. And that usually ends up being tax free.

What other ramifications will this have? Well, it'll make people more likely to save their money (think about it ... a new TV, you don't really need it ... at 25% extra, you prolly won't buy it) so when they're retired and have to buy perscription drugs, it won't be such a burden on the government (and here's an idea: make drugs tax-free).

Right now, dumbasses who blew all their monay on shit they didn't need (and cocaine) back in the 70's are taking MY money to pay for drugs to keep their stupid asses alive. (Guess how I feel about that...)

I'm a big fan of the government NOT keeping people alive who are too stupid to look out for themselves. Now if someone's poor (ie, worked their whole life, couldn't catch a break, etc ... saved as well as they could, but couldn't save enough) then I'm the first person who would want to help them out.

But I would rather see charities or churches help those people out than the government.

When America was first founded, the rule was: He who does not work shall not eat.

Today: He who does not eat shall have food, housing, and a big screen TV provided to him by the US Government.

And it's easy to be how you are now, Engi, but wait till you've been working for 5-10 years. You'll understand - people aren't doing shit and I have to give them my money. Not cool, Zeus.

~Vip

---

---

Subject: Scrap the income tax!

Posted by [Hydra](#) on Sun, 17 Apr 2005 03:31:23 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

\*Was gonna bump this yesterday, being tax day and all, but didn't get around to it\*

\$38.81

Doesn't seem like a huge number to get upset about, does it?

It's only about forty bucks. What can I do with forty dollars nowadays? That's just a little more than the price for a full tank of gas. Maybe there's enough left over for a bottle of coke when I walk in to pay for it.

It's just \$38.81. Big deal.

I've held a part-time job since the middle of February, so the income taxes I've had to pay thus far are insignificant compared with the huge amounts of money others have to pay.

Not too much to get worked up about, is it?

It's still my money.

It's money I have earned.

It's money that should be mine to spend as I see fit.

It's money that the government has taken from me because it believes it can spend that \$38.81 better than I can.

Spend on what? Some failed social program that will go bankrupt ten years from now? Is that such a much better way to spend MY money than spending it on a tank of gas that can get me to and from work for a few days in a row so I can continue making money?

This is my first experience with paying income taxes and having a percentage of my paycheck withheld from me

Am I angry? You bet I am. I'm angered because I know that next year, the income tax pricetag for me will be much larger since I will have worked for a good, solid year.

The time to end the plunder of the graduated income tax system is now.  
Support HR 25 and the FairTax plan for a fair way of taxation.

Damn, that ended weak....

EDIT: To address an issue brought up previously in this thread.... Every product you buy right now has an embedded tax in the price of the product, resulting from the income taxes placed on businesses, taxes such as payroll taxes and corporate income taxes. With the FairTax plan, those taxes would be completely eliminated, so the overall price of the product would go down.

---

---

Subject: Scrap the income tax!  
Posted by [Jecht](#) on Sun, 17 Apr 2005 04:02:50 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

wouldnt an increase of sales tax cause a decrease in sales nationwide? Thus lowering the number of sales. Now if sales are lowered, companies are not going to want to lose money so the price of goods will rise to compensate for the loss as the demand for them falls. This doesnt look as if it would work on any scheme I look at it and could collapse the economy into a modern depression. Not something i wanna deal with, i'll just pay my income tax.

---

---

Subject: Scrap the income tax!  
Posted by [msgtpain](#) on Sun, 17 Apr 2005 04:09:06 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Just get rid of workmans comp and the employer contribution to social security and I'll be happy..

I can find plenty of ways to keep my money through business write-offs, the two above are the biggest money leeches to a business.

---

---

Subject: Scrap the income tax!  
Posted by [Hydra](#) on Sun, 17 Apr 2005 04:17:45 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

gbullwouldnt an increase of sales tax cause a decrease in sales nationwide? Thus lowering the number of sales. Now if sales are lowered, companies are not going to want to lose money so the price of goods will rise to compensate for the loss as the demand for them falls. This doesnt look as if it would work on any scheme I look at it and could collapse the economy into a modern depression. Not something i wanna deal with, i'll just pay my income tax.

HydraEvery product you buy right now has an embedded tax in the price of the product, resulting from the income taxes placed on businesses, taxes such as payroll taxes and corporate income taxes. With the FairTax plan, those taxes would be completely eliminated, so the overall price of the product would go down.

How would it cause a decrease in sales? If anything, sales would increase because people would have more money to spend on goods that are basically the same price, if not a little (to substantially) cheaper.

---

---

Subject: Scrap the income tax!  
Posted by [IRON FART](#) on Sun, 17 Apr 2005 06:01:20 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

How many of the people who have posted in this thread actually pay income taxes?

Out of curiosity...

EDIT: And by the way, I don't have much of a problem with the tax system right now. If the April 15 deadline really needs to be phased out, America could adopt a tax system similar to the UK.

---

---

Subject: Scrap the income tax!  
Posted by [Doitle](#) on Sun, 17 Apr 2005 06:01:40 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Eh I don't hate the way things are. They're ok I suppose. I don't see any glaring need for change although if there were some great option I would be for it.

---

---

Subject: Scrap the income tax!  
Posted by [cheesesoda](#) on Sun, 17 Apr 2005 06:12:11 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Hydra, as we were discussing earlier, I find myself agreeing with Tool. I like having money being withheld from my paycheck. Granted, I obviously can't currently do this seeing as I'm being 1099. Either way, I see nothing wrong with having my money being withheld. This way, for most people,

they won't get caught into a trap of spending what (technically) is not their own.

This will also affect tourism. Is there going to be a 20% discount on all items sold if they can prove their residency is in another country, or is their money going to be unjustly given to our government? I don't see how it's fair that they have to pay our taxes for us.

I also like how the income tax kind of shows patronage to the government for keeping them safe and free of invasions. I like it because it's also a traditional thing. It's the same idea that's been used for millenia. The national sales tax takes away from that.

Granted, I do see some problems with the current distribution of taxes over the citizens. I don't think that poverty level incomes should go tax free, and I don't think that anybody making over \$300,000 should be paying 1/3 of their money earned. I think that the percentages should be closer together. The lower incomes taxed a few percent more, and the high incomes taxed a few percent less. Example: have a minimum of 5% and a maximum of 25%.

---

---

Subject: Scrap the income tax!

Posted by [Jecht](#) on Sun, 17 Apr 2005 16:48:21 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

i agree with pain, slowly do away with social security, almost completely get rid of welfare(only distribute it to those who were recently laid off) and allow us to save for our own retirement. We spend huge amount on Welfare for people who dont need it.

---

---

Subject: Scrap the income tax!

Posted by [Crimson](#) on Sun, 17 Apr 2005 21:53:38 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

All I have to say is this:

Anyone who has an idea to make this number better... I'm glad to hear it. I don't think the Democrats can acheive this.

---

---

Subject: Scrap the income tax!

Posted by [IRON FART](#) on Sun, 17 Apr 2005 22:31:16 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

We should revert back to trading cattle.

---

---

Subject: Scrap the income tax!

Posted by [msgtpain](#) on Sun, 17 Apr 2005 22:53:38 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

CrimsonAll I have to say is this:

Anyone who has an idea to make this number better... I'm glad to hear it. I don't think the Democrats can acheive this.

Married filing jointly helps, for one. Another is to start an actual, non tax-exempt business which you can spend 5 hours a week doing something for, and write off a bunch of stuff.. An even better solution is to actually start a full business and go to work for yourself. Pay yourself \$8/hour for W2 income, profit share the rest, then have enough expenses to make your business earn very little profit to roll over to your personal taxes every year. Things such as your car payment, gas, insurance, cell phone, all the office expenses that you have out of your house, etc.. Buy a new car over 6400 lbs and write the entire purchase off the year you buy it, etc, etc.. Things that you would normally do every year, and never receive a tax incentive for become quite lucrative

Two other things that greatly affect the tax payment directly (not your taxable income) are school payments and children.. Make sure you give as much as possible every year to GoodWill, and keep a receipt itimizing what you gave and how much you think it was worth.. Your home mortgage interest is deductible too, so are all your property taxes.. have a home office and you can deduct a percentage of all your utilities, insurance and depreciate all your computer equipment..

---

---

Subject: Scrap the income tax!

Posted by [Hydra](#) on Mon, 18 Apr 2005 02:27:51 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

CrimsonAnyone who has an idea to make this number better... I'm glad to hear it.

Under the FairTax plan, that number would be zero.

Why? Because you already paid them when you bought that new car.

---

---

Subject: Scrap the income tax!

Posted by [Crimson](#) on Mon, 18 Apr 2005 03:17:37 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

Do I need to form a corporation to have the business be legitimate? Or is there somewhere else to register it?

---

---

Subject: Scrap the income tax!

Posted by [IRON FART](#) on Mon, 18 Apr 2005 04:17:08 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

HydraCrimsonAnyone who has an idea to make this number better... I'm glad to hear it.

---

Under the FairTax plan, that number would be zero.  
Why? Because you already paid them when you bought that new car.  
The plan could work, but it has some kinks to iron out. I'm not partial to either one right now.

---

---

Subject: Scrap the income tax!  
Posted by [msgtpain](#) on Mon, 18 Apr 2005 05:36:52 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

CrimsonDo I need to form a corporation to have the business be legitimate? Or is there somewhere else to register it?

depends on your state laws, and how you form affects the types of deductions you can take. In Montana, you don't even have to file any paperwork for a sole proprietorship, in washington, it cost like \$75 for the "business license". Corporations have some advantages, like removal of liability against your personal interests, but you'd have to talk to someone there in Az to get a good picture of which way to go.

---

---

Subject: Scrap the income tax!  
Posted by [Crimson](#) on Mon, 18 Apr 2005 06:19:26 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Cool. Thanks.

---

---

Subject: Scrap the income tax!  
Posted by [Fabian](#) on Tue, 19 Apr 2005 12:56:33 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Seems like a pretty dumb idea...

Under the current system, I don't make enough to have to file taxes (I'm a high school student). When I go to buy a bag of chips, I only pay \$1.00. Under the new system, I would have to pay \$1.26 for that same bag of chips, but I don't make enough money to have to pay for all those taxes that are included in those \$0.26. There is no way for vendors to be able to discern who is taxable and who is not. Especially if you don't really know if you're taxable or not until the end of the year. There are way to many knots to kink out.

---

---

Subject: Scrap the income tax!  
Posted by [MrBob](#) on Tue, 19 Apr 2005 14:23:48 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

SuperFlyingEngiTo implement a sales tax, there would have to be a 26% tax on everything you buy, assuming it's a flat tax on everything. That means 26% on houses. A 100,000 dollar house

---

would end up costing you 126,000. But not on yachts. America doesn't make yachts. We exported those jobs. So, rich people go to France with their million dollars to buy a yacht, on which the sales tax is zero.

I'd rather pay 26% on sales tax than 60% of my income ( I really don't want to deal with 1040 next year). Besides, with a simpler flat tax, a lot of tax evasion and loopholes will be eliminated. That way everyone will pay their fair share.

In fact, a better idea is to increase the original federal tax, tariffs. Not specific trade tariffs (i.e. steel import tariffs), but a flat tariff on all imported goods. This may also curb outsourcing. If China-made products are going to have the same price as USA-made products, why would companies bother outsourcing? Yes, companies don't have to pay the tariffs, the consumer does. But wouldn't the consumer buy a product made by someone treated decently than something made in a sweatshop if they were the same price? Think about it, if "Made in China" products had the same price as "Made in America" products, wouldn't you buy "Made in America?"

And what the heck are you yapping about yachts for?

---

---

Subject: Scrap the income tax!

Posted by [Jecht](#) on Tue, 19 Apr 2005 14:40:50 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

MrBobIn fact, a better idea is to increase the original federal tax, tariffs. Not specific trade tariffs (i.e. steel import tariffs), but a flat tariff on all imported goods. This may also curb outsourcing. If China-made products are going to have the same price as USA-made products, why would companies bother outsourcing? Yes, companies don't have to pay the tariffs, the consumer does. But wouldn't the consumer buy a product made by someone treated decently than something made in a sweatshop if they were the same price? Think about it, if "Made in China" products had the same price as "Made in America" products, wouldn't you buy "Made in America?"

Totally agree.

---

---

Subject: Scrap the income tax!

Posted by [IRON FART](#) on Tue, 19 Apr 2005 23:59:47 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

MrBobSuperFlyingEngiTo implement a sales tax, there would have to be a 26% tax on everything you buy, assuming it's a flat tax on everything. That means 26% on houses. A 100,000 dollar house would end up costing you 126,000. But not on yachts. America doesn't make yachts. We exported those jobs. So, rich people go to France with their million dollars to buy a yacht, on which the sales tax is zero.

I'd rather pay 26% on sales tax than 60% of my income ( I really don't want to deal with 1040 next year). Besides, with a simpler flat tax, a lot of tax evasion and loopholes will be eliminated. That way everyone will pay their fair share.

In fact, a better idea is to increase the original federal tax, tariffs. Not specific trade tariffs (i.e. steel import tariffs), but a flat tariff on all imported goods. This may also curb outsourcing. If China-made products are going to have to same price as USA-made products, why would compaines bother outsourcing? Yes, companies don't have to pay the tariffs, the consumer does. But wouldn't the consumer buy a product made by someone treated decently than something made in a sweatshop if they were the same price? Think about it, if "Made in China" products had the same price as "Made in America" products, wouldn't you buy "Made in America?"

And what the heck are you yapping about yachts for?  
I thought the max you could be currently taxed is 49%...

---

---

Subject: Scrap the income tax!  
Posted by [Hydra](#) on Wed, 20 Apr 2005 14:23:28 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

SEALSeems like a pretty dumb idea...  
That's because you didn't bother to read the whole thread.

Quote:Under the current system, I don't make enough to have to file taxes (I'm a high school student). When I go to buy a bag of chips, I only pay \$1.00. Under the new system, I would have to pay \$1.26 for that same bag of chips  
Wrong.

All retail items currently bought and sold in the United States have an embedded tax included in their price, sometimes consisting of as much as 35% of the total price. This embedded tax would be eliminated as income taxes on businesses are completely eliminated and businesses are not forced to raise their price to compensate all the payroll taxes, corporate income taxes, and the myriad of other income taxes they have to pay to the government.

The overall prices of the products go down.

The price of that \$1.00 item you bought would in some cases not change; in other cases, it might cost you even less when the embedded tax is removed.

Had you read my three previous posts in this thread or the website to which I linked everyone in the first post of this thread, you'd've known that.

---

---

Subject: Scrap the income tax!  
Posted by [SuperFlyingEngi](#) on Wed, 20 Apr 2005 21:04:33 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

How is it, again, that you can eliminate all income taxes, while replacing them with a sales tax, and have the total cost of items go down? The money has to come from somewhere. In this system, items would cost more, but people would have more money. But most of the rich people

would spend their untaxed money in other countries where they can buy their yachts with only a minimum sales tax, something minimum wage workers rarely do. Which would, in turn, require the government to raise sales taxes even more on the non-rich populace, so the sales tax could end up being something like 35 or even 40%, with rich Americans putting no money into the American government. Creating an extraordinary gap between the "haves" and the "have nots" leading to a militant revolution that results in half the American population being killed in ruthless street fighting and ultimately leading to the overthrow of the American government and complete anarchy until the U.S., with no system of organization, gets conquered by Grenada. And we wouldn't want that to happen, now, would we?

And if it interests you all, Ronald Reagan put through the largest tax raise in American history. Crimson, you'd be paying less on your taxes if Reagan hadn't been put into office.

---

---

Subject: Scrap the income tax!  
Posted by [Jecht](#) on Wed, 20 Apr 2005 21:25:28 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

You have a vivid imagination.

The Reagan comment: Crimson could also be speaking Russian at the moment too while we are on hypothetical situations.

---

---

Subject: Scrap the income tax!  
Posted by [Crimson](#) on Wed, 20 Apr 2005 22:36:44 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

That was the dumbest comment I've heard from SFE, and I've heard some whoppers.

---

---

Subject: Scrap the income tax!  
Posted by [SuperFlyingEngi](#) on Wed, 20 Apr 2005 23:16:04 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

I got a bit carried away with the revolution bit. I find it hard to believe you didn't catch that.

---

---

Subject: Scrap the income tax!  
Posted by [Hydra](#) on Thu, 21 Apr 2005 00:16:13 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Wow....

How the hell did you go from talking about the retail sales tax to describing a communist revolution in America...?

I wonder, SuperFlyingLiberalTool, if you have actually read anything I have written in my previous 4 posts in this thread.

Is this concept really that far over your head?

Do you really have this much trouble comprehending what I write?

Do you think up your bullshit all on your own, or do you have help?

Read the thread again, retard, and I make it plainly clear to you how the price of retail products goes down when embedded income taxes are removed.

How many times do I have to say it before it finally penetrates the hard candy shell surrounding your brain???

---

Subject: Scrap the income tax!

Posted by [SuperFlyingEngi](#) on Thu, 21 Apr 2005 01:18:14 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

HydraWow....

How the hell did you go from talking about the retail sales tax to describing a communist revolution in America...?

By digressing with my incredible intellectual prowess. Duh.

HydraRead the thread again, retard, and I make it plainly clear to you how the price of retail products goes down when embedded income taxes are removed.

How many times do I have to say it before it finally penetrates the hard candy shell surrounding your brain???

All 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. 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?

---

Subject: Scrap the income tax!

Posted by [cheesesoda](#) on Thu, 21 Apr 2005 01:32:05 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

SuperFlyingEngiWould the prices of products really drop more than 23% before this new sales tax is applied? Somehow, I doubt that. 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?

Good point.

I also have 2 more points that I'd like to say:

1. This is probably the first and only issue I'll ever agree with Tool.
2. The 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.

---

Subject: Scrap the income tax!  
Posted by [msgtpain](#) on Thu, 21 Apr 2005 01:38:31 GMT  
[View Forum Message](#) <> [Reply to Message](#)

My only rebuttal to the "embedded tax" is that I would have to see stats to believe you. Payroll income tax is paid by the employee, not the employer. If the employee did not have to pay it anymore, it would not affect one bit how much the employer had to spend to create the product/service.

As I said before, remove the bullshit workmans comp rates, remove the employer matching 7.5% contribution to social security, reduce the unemployment tax rates, etc.. All THESE affect the bottom line for the company, not personal income taxes.

---

Subject: Scrap the income tax!  
Posted by [Crimson](#) on Thu, 21 Apr 2005 04:47:50 GMT  
[View Forum Message](#) <> [Reply to Message](#)

I'd say if Hillary Clinton had come up with the idea, SFE would be all for it. That's a FACT.

---

Subject: Scrap the income tax!  
Posted by [IRON FART](#) on Thu, 21 Apr 2005 22:23:07 GMT  
[View Forum Message](#) <> [Reply to Message](#)

So would I if Hillary Clinton supported it.

But she won't because the plan has flaws.

---

Subject: Scrap the income tax!  
Posted by [Jecht](#) on Fri, 22 Apr 2005 00:39:10 GMT  
[View Forum Message](#) <> [Reply to Message](#)

Hillary Clinton is obnoxious, she bugs me as much as Ann Coulter does(yes, thats right, I said a Republican bugs me).

---

---

Subject: Scrap the income tax!

Posted by [Deathgod](#) on Fri, 22 Apr 2005 22:12:14 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

I saw someone comment on outsourcing in this thread and I have to point out that there is a reason for outsourcing: it saves money. If someone else can do something cheaper than we can with a competent level of effectiveness we should spend our resources elsewhere because we're not being efficient. I'm sure if we cut out more areas of the US economy where we are inefficient competitors we'd be saving a lot of money too. While we're at it, let's shoot everyone on welfare so I can quit paying for the white trash in the trailer down the street to have 5 beanbag kids and sit on their asses all day eating fucking Chips Ahoy. That'd please me a lot more than a tax change.

As for that, I'm perfectly happy with a sales tax because I hardly spend any money at all. I pirate almost all of my entertainment and my only other expenditures are on food, which I presume would still be exempt.

---

---

Subject: Scrap the income tax!

Posted by [Crimson](#) on Sat, 23 Apr 2005 02:14:48 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

And yet other companies abroad outsource more jobs HERE than we do to other countries at a ratio of 7 to 1.

---

---

Subject: Scrap the income tax!

Posted by [Deathgod](#) on Sat, 23 Apr 2005 02:33:52 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

I didn't say it was bad, or that it was the sole reason our economy sucks. I just pointed it out.

I remember an old example from my economics class that has always served well. You take two companies making brooms. One of them is in the US, one is in Mexico. These two factories' stock is bought by the same company to sell here in the US. The brooms are functionally and stylistically identical, yet the US broom costs 500% more to make in terms of wages and resources. Now this is a simplistic example, to be sure, but the basic underlying idea is the same: why the fuck do people in the US waste money making brooms here when they can ship them from out of the country and still pay 1/4 of what the US broom costs?

As I said, it's simplistic but it can be applied to most industries that we are involved in outsourcing in.

Amusing side note relating to this topic, courtesy of the Onion:

---

Subject: Scrap the income tax!

Posted by [MrBob](#) on Sun, 24 Apr 2005 20:20:07 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

DeathgodI saw someone comment on outsourcing in this thread and I have to point out that there is a reason for outsourcing: it saves money.

I'm not trying to sound mean or anything, but...duh. My point was that while companies will still save money, US and foreign products would have the same price on the consumer level.

---

---

Subject: Scrap the income tax!

Posted by [msgtpain](#) on Sun, 24 Apr 2005 21:49:06 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

DeathgodI didn't say it was bad, or that it was the sole reason our economy sucks. I just pointed it out.

I remember an old example from my economics class that has always served well. You take two companies making brooms. One of them is in the US, one is in Mexico. These two factories' stock is bought by the same company to sell here in the US. The brooms are functionally and stylistically identical, yet the US broom costs 500% more to make in terms of wages and resources. Now this is a simplistic example, to be sure, but the basic underlying idea is the same: why the fuck do people in the US waste money making brooms here when they can ship them from out of the country and still pay 1/4 of what the US broom costs?

As I said, it's simplistic but it can be applied to most industries that we are involved in outsourcing in.

Amusing side note relating to this topic, courtesy of the Onion:

<http://www.theonion.com/nib/index.php?issue=4116&nib=1>

It is that simple, unless you're a democrat. They have a problem with the workers in the US broom factory no longer having a job because we let Mexico make the brooms instead.. They would rather we just shut up and pay the 500% markup on the brooms so those workers don't have to take the time to look for another job.

---

---

Subject: Scrap the income tax!

Posted by [warranto](#) on Sun, 24 Apr 2005 21:56:09 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

2 eventual problems (completely hypothetical, and if it were to occur, not for a very long time)

If you start outsourcing all manufacturing jobs, simply because it would make stuff cheaper, you get the two problems.

1. The power of everything you own is in the hands of another country. At a whim, they could stop exporting that material, and America would be into a bit of a bind.

2. Jobs would have to be created in other sectors to make up for the loss of the available income that the manufacturing industry would have made. It doesn't matter how cheap things are if people don't have the money to buy them anyways.

But like I said, completely hypothetical, and all that good stuff. Food for thought, not serious discussion.

---

---

Subject: Scrap the income tax!

Posted by [Crimson](#) on Sun, 24 Apr 2005 23:47:48 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

The day we stop outsourcing is the day we also have to kick Honda, Toyota, Mercedes, etc... out of the country. Don't make their cars, don't sell their cars. Then we have to go to all the other foreign-based companies and close down all their US-based operations and lay off all those employees. Until you're willing to do that, shut the hell up.

---

---

Subject: Scrap the income tax!

Posted by [MrBob](#) on Mon, 25 Apr 2005 00:34:21 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

Who's the moron who turned a debate about taxes in one about outsourcing?

Oh....yeah...

---

---

Subject: Scrap the income tax!

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

[View Forum Message](#) <> [Reply to Message](#)

---

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?

---

---

Subject: Scrap the income tax!  
Posted by [msgtpain](#) on Mon, 25 Apr 2005 02:53:50 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

You're still assuming that companies will reduce their prices based on any operating expense decreases they see. Is there any guarantee that this will happen? because without it, the whole argument and presentation tables are meaningless. If the entire comparisons are based on some number which no one can accurately measure, and which no one can ensure will be removed, then there can be no true comparison.

---

Subject: Scrap the income tax!  
Posted by [Doitle](#) on Mon, 25 Apr 2005 12:17:45 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Outsourcing has merely caused us to become a Service based economy. Nothing wrong with that. It's just different than before.

---

Subject: Scrap the income tax!  
Posted by [Deathgod](#) on Mon, 25 Apr 2005 23:32:10 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

I agree with msgtpain, I don't think companies will be passing this 'savings' on to consumers. Most will see it as a 20% jump in profits.

---

Subject: Scrap the income tax!  
Posted by [Sir Phoenixx](#) on Tue, 26 Apr 2005 02:59:20 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Why not? Almost all companies do it all the time. If they didn't, the games you buy would stay at \$50 and never go down. After a while they've paid off enough of their debts, and can lower the price and still make a profit.

---

Subject: Scrap the income tax!  
Posted by [msgtpain](#) on Tue, 26 Apr 2005 03:34:40 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

That's way to broad of an analogy to be applied across the board. It's true that any item which has an R&D price associated will typically have a downward curved lifecycle, especially if there is a copyright or patent involved. However, the majority of the products consumers buy do not fall under this roof. The clothes you buy, the food you eat, the vacations you take, electronics, small appliances etc are all priced by supply and demand. If there is no decline in demand, and no shortage of supply, there will be no logical reason for the producers to reduce the price, unless

---

forced to do so by the G Man, and is this really what we want? Uncle Sam price capping our markets? How many times over the last year has the price of a barrel of oil gone down, but the price at the pump remained the same or increased? Only once in my lifetime that I can remember (1999) has the price of a gallon of gasoline gone down below the pre shortage price; do you believe you'll see \$1.68/gallon gas again, even if the cost of a barrel returns to \$28? only time will tell.

Consumers will only see price breaks if the largest of the corporations pass on the tax relief in the prices of their products and the smaller competitors are forced to follow. Custom products, niche markets and trends will always go for whatever the market can bear.

---

---

Subject: Scrap the income tax!  
Posted by [Oblivion165](#) on Tue, 26 Apr 2005 05:30:17 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Hey hydra, ever see episode 33 of mighty max?

Hydra argues about life and oblivion between himself. Hehe

---

---

Subject: Scrap the income tax!  
Posted by [Deathgod](#) on Tue, 26 Apr 2005 22:59:55 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Sir PhoenixxWhy not? Almost all companies do it all the time. If they didn't, the games you buy would stay at \$50 and never go down. After a while they've paid off enough of their debts, and can lower the price and still make a profit.

That is untrue pretty much across the board. Taking your games example, the first few runs of a popular game will be sold at a set price from the manufacturer to the distributors who will push it out to retail. Most new games cost retail stores like EB, Gamestop, and Best Buy around \$35-40 for a \$50 game, so that store only makes about 20% profit, maybe 30% if they're lucky. That is of course BEFORE what it costs that store to ship it to their outlet and staff the store, and cover all other expenses. These stores don't make money on new games, that is why EB and Gamestop pimp the hell out of preowns (where the margins are at minimum 100% profit and go as high as 1000%) and Best Buy marks up their big-ticket items like TVs and their accessories to cover the difference (those Monster cables you buy? Best Buy buys those from Monster for about 5-10 bucks a cable, and sells them for 60-100 bucks each, as an example). The people in charge of dropping these prices are usually the retail outlets, not the middlemen delivering the supply to the retail outlets, because the retail outlets need to clear the space on their shelves for the newest and greatest items. They can afford to sell the older copies for less money because on average they're still making money if they sold a ton of copies at 50 bucks. It's called dollar-cost averaging and it is a very common practice at all retail stores, and allows for things like Walmart giving away Gameboy Advance SPs for \$30 after Thanksgiving. They're selling those at a huge loss but they make it up elsewhere.

Anyhow, enough sidetracking. The issue at hand still remains; consumers will only see a benefit if corporations pass it on, and I imagine that most corporations will be rather reluctant to give up a 'free' invisible profit jump.

---