

**The FairTax Plan includes a 'prebate': an advance refund of the FairTax on spending at the poverty level, paid to every registered citizen each month.**

- ★ **Poor people** are effectively un-taxed, which is very **progressive** and therefore attractive to **Liberals**.
- ★ **Everyone** finds that the prebate is like getting a tax deduction for all the necessities of life.
- ★ **Everyone** gets to choose what is a “necessity” for them.

**The FairTax Plan only taxes goods and services once: the first time they're sold.**

- ★ **The repair industry** booms as consumers choose to fix broken items rather than throw them out.
- ★ **Flea Markets** flourish as consumers buy used goods to minimize taxes and sellers reclaim the value of their used goods.
- ★ **Greens** like the added incentive for people to reuse goods before throwing them out.

**The FairTax Plan repeals the Capital Gains tax.**

- ★ **Investors** keep all their profits, allowing reinvestment to grow their companies or start new ones.
- ★ **Everyone** keeps all the profits on their retirement and savings accounts, allowing them to compound their money tax-free and reach their goals more quickly (such as saving for a down payment on a house).

**The FairTax Plan repeals the Estate Tax, a 'death tax' on inheritances.**

- ★ **Families** know all their wealth will go to their heirs, not to the government.
- ★ **Families** save the money spent on avoiding estate taxes with complicated wills and trusts.
- ★ **Farmers and Small Business Owners** no longer fear that their heirs will have to sell the family farm just to pay estate taxes.

**The FairTax Plan is very hard to evade.**

- ★ **Law-Abiding Citizens** bear less of the tax burden because everyone is paying a fair share.
- ★ **The Government** takes in more of the revenue it is supposed to receive (The IRS admits that 29% of 2004 income taxes were not paid – not including all the taxes owed on illegal activity.).
- ★ **The Government** focuses auditing resources on fewer returns and more easily catches tax cheats because there are only 30,000 retailers versus the 160,000,000 current filers.
- ★ **The Government** sees fewer attempts to evade taxes because the largest retailers won't risk their reputations for a paltry amount that is actually paid by others (The top 3% of retailers sell 83% of the goods sold in the US.).
- ★ **Tax Payers** benefit from de-funding the IRS (\$6,000,000,000/yr. for only 71% collections).

**Does The FairTax Plan really benefit everyone?**

**No, some people will suffer:**

- ✗ **Criminals**, who don't pay taxes by earning their money on the black market: drug dealers, gun-runners, those in the sex trades, etc.
- ✗ **Tax cheats**, who avoid paying their fair share by using tax loopholes and off-shore accounts or simply refusing to file and pay their taxes.
- ✗ **Illegal aliens**, who work for wages 'off the books' but utilize taxpayer-funded services.
- ✗ **Employers of illegal aliens**, who avoid paying the employer matching FICA for these workers.
- ✗ **Special Interests**, seeking special tax laws in return for their political support and donations.
- ✗ **Crooked politicians**, who benefit from manipulating the tax code for Special Interests.
- ✗ **25,000 Tax Lobbyists**, who have advocated for the 17,000 amendments since the last major tax reform and simplification in 1986.

**... but that seems fair to me.**

**Q: Who benefits from THE FAIRTAX?**

**A: THE FAIRTAX benefits:**

Young & Old,  
Rich & Poor,  
Liberal & Conservative,  
Employers & Workers,  
Consumers & Retailers,  
Individuals & Families,  
**... just about everyone!**

**Help make it a reality:**

**[FairTaxFacts.org](http://FairTaxFacts.org)**

**[FairTax.org](http://FairTax.org)**

*Look inside  
to learn how  
THE FAIRTAX  
will benefit YOU ...*

# What is the FairTax Plan? and Who should support it?

## The FairTax Plan simplifies tax collection via a new national sales tax.

- ★ **Individuals** no longer have to spend time and money on record-keeping, searching for receipts, and filling out 1040 forms (or paying someone else to fill them out).
- ★ **Individuals** no longer dread April 15<sup>th</sup> as it becomes “just another spring day.”
- ★ **Individuals** no longer fear IRS audits and inadvertently becoming criminals by making mistakes on their tax returns.
- ★ **Individuals** control when they pay taxes and how much they pay by controlling their own spending.
- ★ **Tax Preparers** move to corporate accounting jobs, leveling their workload and income throughout the year.

## The FairTax Plan repeals all Federal Personal Income Taxes and FICA Taxes (Social Security & Medicare Taxes).

- ★ **Workers** take home their whole paycheck and so have more money to spend and save.
- ★ **Seniors** feel secure, knowing that Social Security and Medicare are fully funded and are no longer in jeopardy of going bankrupt.
- ★ **Young people** feel secure, knowing that Social Security and Medicare will still be around when they need it.
- ★ **Poor people** no longer face the ‘work penalty,’ the 7.65% of their income taken out for FICA but not refunded on their income tax returns.
- ★ **Employers** no longer have to pay the 7.65% FICA matching tax, freeing up that money for additional wages for workers and more jobs.
- ★ The **Self-Employed** are freed from the punitive 15.3% FICA Self-Employment Tax.

## The FairTax Plan gets the government out of our personal business.

- ★ **Libertarians** love that they are not required to submit information about themselves and their families unless they wish to receive the prebate.
- ★ **Religious groups** no longer have to censor their opinions to avoid losing their tax-exempt status.
- ★ **Charitable groups** receive more donations because donors have more money to donate.
- ★ **Everyone** gets to make tax-free donations (Currently, only 1/3 of eligible filers itemize deductions and get to benefit from tax deductible donations.).
- ★ **Everyone** gets to pay mortgage interest with pre-tax dollars (Again, only 1/3 of eligible filers itemize deductions and get to benefit from the mortgage interest tax deduction.).

## The FairTax Plan repeals all Federal Corporate Income Taxes.

- ★ **Companies** keep all their profits to reinvest in more jobs, more equipment, and higher pay.
- ★ **Companies** no longer have to pay the compliance costs of filing taxes.

## The FairTax Plan removes hidden taxes in US-made products.

- ★ **Consumers** see a reduction in the costs of goods due to hidden taxes (22% of what we pay is actually corporate taxes and compliance costs, passed along to the consumer.).
- ★ **American manufacturers** are better able to compete on the world market due to no tax burden.
- ★ **Worldwide manufacturers** want to build plants in the US, bringing lots of jobs here.
- ★ **Everyone** benefits from the booming economy.

## The FairTax Plan makes the US the best place to manufacture goods.

- ★ **Workers** benefit from the influx of jobs in manufacturing and from economy expansion.
- ★ **Unions** benefit from lots of new workers.

## The FairTax Plan is visible, printed on every receipt.

- ★ **Individuals** can easily monitor the FairTax rate, making it much harder for Congress to sneak in tax increases.
- ★ **Individuals** know exactly how much tax they pay to fund the government, possibly causing them to call for lower federal taxes / spending.

## The FairTax is collected by retailers at the register and submitted monthly on a simple form.

- ★ **Retailers** in 45 states can easily add on the FairTax national sales tax because they already collect state sales tax.
- ★ **Retailers** only need to track their total retail sales to know how much FairTax to submit.
- ★ **Retailers** keep a portion (1/4%) of the FairTax they collect to compensate them for their collection and submission costs.

## The FairTax is aggregated by the states.

- ★ **Most states** (45) can easily collect the FairTax because they already collect a state sales tax.
- ★ **States** keep a portion (1/4%) of the FairTax they collect in order to reimburse them for collection and submission costs (or they can allow another state to do the work and receive the reimbursement).

## The FairTax helps cut down on the corruption in Washington, DC.

- ★ **Voters** find they have more power in DC because Special Interests can no longer lobby for special tax breaks from Congress (more than \$1,000,000,000 spent each year.).
- ★ **Americans** see many crooked politicians leave Washington since they can no longer profit from manipulating the tax code.
- ★ **Voters** find a better quality of candidates run for office because Washington is no longer such a cesspool of corruption.