

I think the U.S. income tax code should be simultaneously simplified in terms of deductions and exemptions, and at the same time expanded in terms of tax brackets.

I think we should eliminate all deductions and exemptions except for personal exemptions and the standard deduction. To the latter point, I think it is appropriate to allow Americans to earn a subsistence income without having to pay any income taxes whatsoever. And to the former, I think it is costly, inefficient, and probably inappropriate for the federal government to incentivize certain behaviors such as home ownership or green energy investment through its income tax code. Simplifying the tax code would make filing easier for all American families, and would better ensure that taxpayers contribute the amount expected of them by law.

The revenue retained from eliminating most deductions and exemptions could be counterbalanced by reducing marginal income tax rates across the board.

That said, I think seven income tax brackets is too few. I think it is inappropriate that the marginal tax rate on an American's 4,000,000<sup>th</sup> dollar earned is the same as the marginal rate on her 400,000<sup>th</sup> dollar, while at the same time, that 400,000<sup>th</sup> dollar is taxed at a rate nearly 15 percent higher than the 40,000<sup>th</sup>. As you know, there were 15 different income tax brackets as recently as 1986.

In summary, I think a simpler tax code from the perspective of exemptions and deductions would be more efficient. And if the revenue increases from those changes were used to reduce marginal tax rates, I think policy would improve with the addition of more marginal income tax brackets, thereby making the code more progressive.