

SUBMISSION TO THE HOUSE WAYS AND MEANS COMMITTEE'S HEARING JULY 26, 2011 ON:

Tax Reform and Consumption-Based Tax Systems

Chairman Dave Camp and Committee Members,

I have been a Personnel Director of governmental employees for 28 years, Building Contractor for many years and been married 26 years to my wife, a CPA and partner in her accounting firm. This background, along with much not stated, has given me the opportunity to evaluate our nation's current tax system and compare it to other proposed systems, including HR 25, S 13 or the Fair Tax.

I can state the following as facts:

- All persons I have witnessed interacting with the current federal income tax system believe the system to be unfair, complicated, and tolerated only because of the incorrect belief that an alternate more fair and less complicated system is not available.
- The current federal income tax system produces a very large amount of unintended harmful consequences, most of which have never even been identified, for the constituency of each member of Congress.
- The current federal income tax system produces much uncertainty about future tax liabilities resulting in depressed business activity and less job creation.
- HR 25 (Fair Tax) is an available alternative, to the current federal income tax system, and is fairer (among other reasons, everyone knows what everyone else is paying) and less complicated.
- All members of Congress, regardless of political identity, can reduce unintended harmful consequences of the current federal income tax system on their constituency by adopting HR 25 (Fair Tax).
- And perhaps the most important fact is, HR 25 (Fair Tax) will stabilize and make known, to a much greater degree, future tax liabilities, aiding all future planning and allowing more business risk, because some unknowns have been eliminated, thereby resulting in more job creation.

Shawn Murphy
115 Outrigger Drive
Kill Devil Hills, NC 27948