

Inside the Bell

Just Ask Them

President Barack Obama believes the rich taxpayers actually want to pay more in income taxes. In a speech on April 13, 2011 at George Washington University President Obama said:

“I don't need another tax cut. ... And here's the thing: I believe that most wealthy Americans would agree with me. They want to give back to their country, a country that's done so much for them. It's just Washington hasn't asked them to.”

I think we should ask.

President Obama apparently is referring to those “rich” Americans who have benefited from the “Bush tax cuts for the rich.”

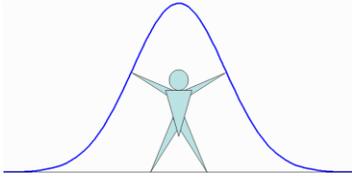
I suggest we create a 501(c)(3) tax-exempt organization with the express purpose of collecting money to pay down the National debt. One hundred percent of all funds collected would be sent to the Federal Treasury to be applied solely to the outstanding debt, not the deficit, the \$16 trillion debt. Some critics may not consider such an organization to be an actual charity but I don't see a difference between any of the thousands of charitable organizations with bills to pay and the Federal Government with unpaid bills.

Once we have a conduit to funnel the money we need to create a web site to collect it. Some of the possible URL's for such a site include:

- I want to do my part.org
- I volunteer my taxes.org
- I am rich and I can pay more.org
- Take my taxes please.org
- You asked and I gave.org
- I want to pay my fair share.org

You get the idea.

Visitors to the web site would be requested to anonymously provide an estimate of their most recent Adjusted Gross Income and the site would use average deduction and exemption information from the IRS to calculate the increase in taxes each visitor would experience and request a donation in that amount. The site would also include any charges required by the providers of credit or debit card issuers if the visitor chose to use credit rather than sending a check. A small amount might be added to cover the costs associated with the operation of the web site and other unavoidable expenses. This simplistic approach would be quick and approximate. Actual, more exact, calculations would require large amounts of information from visitors. The “Bush tax cuts” involved, in addition to



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creating six tax brackets with lower tax rates replacing the original five, changes to the tax treatment of capital gains, dividends and phase out of itemized deductions. It is unrealistic to expect visitors to have the required information available or to provide it accurately. The approach suggested is probably no more inaccurate than the error involved with a more complex calculation with inaccurate or estimated values.

Visitors would be requested to provide only the minimum amount of information required to process the donation and meet any required 501(c)(3) regulations. No other information would be collected or retained.

Periodically, all donations would be forwarded to the United States Treasury for payment of the National debt.

Summary information would be available on the site detailing the number of visitors by broad income bracket, the number of visitors donating and total donated. Information could also be available on the number of returns filed in each tax bracket using IRS statistics and the amount of additional money that could be collected if all members of each bracket were to donate.

For example, the IRS reported the top 5% of taxpayers paid 60.1% of the approximately \$1 trillion in income taxes collected in 2006. Assuming they all were in the 33% tax bracket, which would become 39.6%, the additional revenue to the Treasury would have been in excess of \$120 billion or approximately \$17,400 per taxpayer. (Note: \$120B is approximately 3% of the \$3.8T 2013 budget request of the President.)

Once the web site was functional, we would need to advertise its availability to as many Americans as possible. All available print and electronic media should be solicited to spread the message. The message necessarily should emphasize the President's call to action and the patriotic nature of their participation.

However, I would not expect to see overwhelming support or participation in such a voluntary effort, but I could be wrong. After all, who am I to contradict the President?

Russ

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