

The President's Advisory Panel on Federal Tax Reform  
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PRESIDENT'S ADVISORY  
PANEL  
ON FEDERAL TAX REFORM

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Title 26 of the United States Code and the Code of Federal Regulations is a complex compilation of excise taxes that confuses, frustrates and frightens most taxpayers. Because of the confusion involved with these codes, inappropriate actions have been exercised against American citizens that further increase their burden and frustration.

The current tax code is ambiguous in much of its wording, so much so that it is difficult to ascertain for which taxes one may legally be liable. The laws seem to be intentionally vague and lines of distinction purposefully blurred. The laws are, therefore, often applied incorrectly. Because of the numerous volumes of tax code, the public, as well as businesses and institutions, is poorly educated on which parts of the code apply to them. They are faced with the additional expense and burden of hiring a professional who may or may not understand the code. If this professional does not apply the code properly, the individual, business, or institution is then faced with the additional problem and expense of correcting those errors. Often, forms specified for use pertaining to a particular excise tax are used universally (and incorrectly) because of the complexity of the system. [Form usage is contained in the Code of Federal Regulations by OMB number.]

One of the more notable unfair aspects of the current tax system is that the current system attempts a "one tax fits all" approach. Not every individual or business is liable for the exact same excise taxes, though this assumption and approach exist. The code has interesting exceptions written into it, obviously done for favor, as these exceptions are too specific to apply broadly to a taxable group. According to a "Fleecing of America" news report, the IRS has not even attempted to collect corporate taxes due that amount to hundreds of millions of dollars. Why not? Is that fair? Further, the IRS, though it has supposedly had new regulations put in place under the Reform and Restructuring Act of 1998, still acts without accountability and without regard to those regulations. There is no independent review or appeals process and there is no one to hold the IRS responsible for its improper actions.

Of the goals for this committee, one of the most important should be to clarify the tax code and ensure that the language is clear, concise, and unambiguous. Not every law applies to every person. According to the Constitution and several Supreme Court decisions, Title 26 applies to excise taxes. These should be outlined plainly and distinctly so that their applicability is very clear. The forms to be used should be plainly referenced and their OMB numbers should correspond with those approved and designated in the Code of Federal Regulations. There should be established an independent review and appeals office that ensures that the IRS operates within the confines of the law and its own regulations. This office should hold the IRS accountable when it disregards its own due processes and oversteps its boundaries.

The President's Advisory Panel on Federal Tax Reform has an enormous undertaking set before it. My hope and prayer is that this Panel will work with integrity to preserve the sovereignty of American citizens while reforming this important facet of our government which is made "of the people, by the people, and for the people."