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April 15, 2005

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Subject: Overhauling the Social Security system and Simplifying the tax code

Dear Mr. President:

Recently, you have made two important announcements regarding taxes: overhauling the Social Security system and simplifying the federal tax code. As a Certified Public Accountant, I work with the tax code on a daily basis and I was very happy to listen to your announcements.

The federal income tax code is extremely complicated. The Internal Revenue Code (IRC) has grown from 14 pages long in 1913 to over 7,600 pages today, not including more than 47,000 pages of regulations and court cases. No one clearly understands the IRC, not even the IRS. Compared to the federal income taxes, state income taxes and sales taxes are simpler. However, each state has its own regulations, its own tax forms with different tax rates as well as different due dates and filing requirements. For a multi-state company, compliance with about 8,000 local tax jurisdictions is a nightmare.

During the last few decades, several tax reform proposals had been introduced to correct the complexity of the federal income tax code. Each of them has some advantages but

also contains some shortcomings. All the major tax reform proposals share a serious flaw: they all focus on the IRC and attack the IRS; none of them address the combined federal, states, and local governments as one tax system in the United States.

I am please to present to you a copy of my doctorate dissertation. The objective of this dissertation is to search for a new tax system for the United States: the **Personal Exemptions Consumption Tax (PECT)**. PECT employs the principles of a national sales tax but operates like a value-added tax, and offers personal exemptions like an individual income tax. PECT would be able to replace the federal individual and corporate income taxes; state individual and corporate income taxes; state and local sales taxes. In replacing these taxes, PECT would eliminate more than 400 million tax forms each year and would save Americans billions of hours and billions of dollars for tax compliance per year. PECT is the new tax for the 21st century. It has never been enacted anywhere in history of the world.

You are a very busy man but, please find some time to read my dissertation. This is not an academic abstraction written in an ivory tower. PECT is designed by an experienced accountant who has worked as individual/corporate taxpayers as well as governmental Director of Taxation. PECT would provide solutions for both overhauling the Social Security system and simplifying the tax code.

Should you have any questions, please contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Michael Tuan Dang". The signature is written in black ink and is positioned above the typed name.

Dr. Michael Tuan Dang

Cc: Mr. John W. Snow, Secretary of the Treasury (w/ encl.)
Sen. Connie Mack III (w/ encl.)
Sen. John Breaux (w/ encl.)