

AMERICAN LEGION BOYS NATION

BILL SUMMARY

Note: This form must be completed and accompany all Bills submitted for consideration by The American Legion Boys Nation Senate.

DELEGATE NAME: Thomas Mosher

DELEGATE STATE: Kentucky

NAME OF BILL: American Taxpayer Revision Act

BRIEF SUMMARY OF BILL: The American Taxpayer Revision Act is a bill that is aimed at lowering the Federal Income tax in each tax bracket by five percent. In turn, we see productivity of citizens increase, investment into the economy intensify, state power in taxation increase.

To Be Completed By
The Clerk Of The Senate

BILL NO.

SB-2

AMERICAN LEGION BOYS NATION SENATE

IN THE SENATE OF AMERICAN LEGION BOYS NATION

Senator **Thomas Mosher** of **Kentucky** introduced the following Bill, which was read twice and referred to the following American Legion Boys Nation Senate Committee:

a Bill

1 : Be it enacted by the American Legion boys senate assembled, that with the passing of the
2 American Taxpayer Revision Act Federal income taxes will be lowered, in each bracket, by five
3 percent. Currently in the United States every citizen, among other numerous taxes, has a
4 federal income tax that they must pay annually. Each citizen, based on their income, is then put
5 into a tax bracket. Those brackets include a: 10 percent, 15 percent, 25 percent, 28 percent,
6 and 33 percent income tax. Above that we see a 35 percent income tax, and a 39.6 percent
7 income tax for the wealthiest individuals. These taxes no matter which bracket you stand in are
8 simply too high. When considering the current state of the economy and the hardships it is
9 bringing upon every citizen in America, the extravagance of the federal income tax is especially
10 evident. This bill asks that the federal income tax be lowered so that it may create more tax
11 payers, encourage entrepreneurship, and pursue the benefits of a variety of others things that
12 lower taxes provide.

13 According to the Neo-Classical view of economics, income and wealth must be produced and
14 then consumed. High taxes on factors of production like capital and labor are disruptive in the
15 creation of economic stability and wealth among the citizens of our country. Income taxes when
16 set too high reduce incentives for investment into the US economy and provide less incentive
17 for building capital. This means less jobs, scaring off the creation of new businesses, possible
18 liquidation of existing small businesses, and blocking many avenues for research and
19 development among a variety of functioning companies big or small. With high income tax
20 becoming this restrictive and counteractive to us we see only the wealthiest of citizens being
21 able to benefit from investments in a multitude of areas. While they seek out economic gain
22 everyone else is busy holding onto every dollar they can.

23 Higher taxes mean less tax payers, because of the fact that businesses have less money to

24 make jobs. Fewer tax payers means less tax revenue for the government, which shows that
25 high taxes do exactly the opposite of what they are intended to do in the long run. Low taxes
26 allow for more business. More business gives us more tax payers thus increasing revenue
27 solving the government's revenue challenges, and solving part of the government's
28 predicament.

29 A low federal income tax will also allow states to have more room to move when concerning
30 their own taxes. This means they can raise their taxes so they can acquire more money to use
31 in state infrastructure, education, and so on.

32 Historically, lower taxes, federal income taxes in particular, have been proven to allow for
33 economic prosperity. Whether discussing the tax reductions under the Kennedy administration
34 or the end of the Cold War while Ronald Reagan held office, we have seen the great benefits of
35 lowering the federal income tax.

36 In the end this bill seeks to reach a compromise situation. Instead of eliminating the income tax
37 or raising it further, it wants to meet in the middle. This bill intends to set the stage for future
38 development of this nation's situation concerning federal income tax for the better.