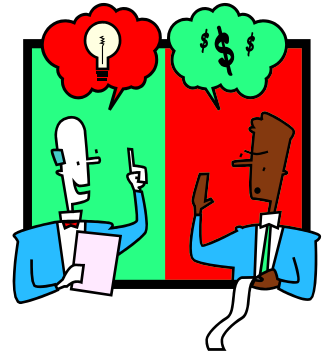


# Tax Reform

Most of our country's leaders agree that the tax code has become increasingly complicated and unfair and that we are in need of total tax reform. The general consensus is that we need a simpler, flatter tax with fewer deductions and credits.



The White House wants a major reworking of the tax code with a plan including over 70 changes designed to reduce the deficit by \$1.561 trillion over the next decade.

The basic principles in the White House plan, as outlined at [www.whitehouse.gov](http://www.whitehouse.gov) are outlined below.

## President Obama's current plan involves:

- **Lowering tax rates:** Lowering tax rates and widening tax brackets, both individual and corporate, would simplify the tax system.
- **Removing inefficient and unfair tax breaks:** The President has offered a detailed set of tax loopholes he would like closed. Closing loopholes will simplify taxes and make it more difficult to game the system.
- **Cutting the deficit:** A part of the plan to cut the deficit involves limiting tax cuts for higher income taxpayers.
- **Increasing job creation and growth in the United States:** The White House is in favor of increasing incentives to work and invest in the United States.
- **Observing the Buffett Rule:** When multi-billionaire Warren Buffett pointed out that his secretary's average tax rate was higher than his, the White House took note: No taxpayer making over a million dollars annually should pay a smaller share of their income in taxes than a middle-class family.

**What will come of the above ideas?**

By the time Congress, businesses, nonprofits and other interested parties have their say, anything could happen. One thing is for certain. You can expect things to change along the lines outlined above.