

Wel come to the Second American Revolution!

Just as taxes were at the heart of the first American Revolution, they are a major part of the second one. Our tax system is wasting trillions, catering to special interests, and stifling economic development. It is our belief that the Missouri Income Tax Reform Bill will attract business to Missouri and lay the foundation for a national FairTax bill which could truly reestablish individual financial freedom and revive our national economy.

Your interest and participation in the passing of a Missouri Income Tax Reform Bill could not come at a better time! A business friendly tax system should be simple to understand and execute, transparent with no hidden agendas so people can know how much government is costing, and fairly applied to all citizens without increasing the cost of basic necessities. Our third President, Thomas Jefferson said,

"I think it an object of great importance...to simplify our system of finance... We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress, and every man of any mind in the Union, should be able to comprehend them, to investigate them, and consequently to control them."

The federal FairTax (HR-25) and the MO reform plan (HJR-56/SJR-29) does all of these things. Your help educating the public and our elected officials about the true provisions of these reform bills would be most appreciated.

With every best wish for victory,

Bill Phelps
John Putnam
Co-State Directors: MOFairTax, Inc.

How to Pass True Income Tax Reform in MO and National l y.

To successfully move our income tax reforms through the next legislative session will require personal responsibility and active citizenship on everyone's part. Please use the following outline to help accurately explain the two proposals and explode the common misconceptions that our opponents seek to exploit. Here's what you need to know:

Our Federal Income-tax System is Wasting TRILLIONS!

- M It is costly to calculate and comply with at over **\$350+ billion/yr.**
- M It is extremely confusing with **67,000+** pages of code.
- M It is time consuming; requiring **6.6 billion man-hours** of unnecessary time spent each year.
- M It punishes hard work, achievement, and savings.
- M It is a drag on our economy by raising the cost of business 15 to 25%. These are embedded costs hidden in our products and services.
- M It allows many who do not report their income to avoid paying tax on **\$1 Trillion** each year.
- M It violates the 4th Amendment that is supposed to protect the security of our "houses, papers, and effects."
- M It drives businesses to other countries. (**\$10 to \$12 trillion** of capital investment is currently offshore.)

How We Would Benefit From The FairTax Plan

The FairTax (HR-25) is a nonpartisan proposal that replaces all federal income and payroll taxes with a progressive consumption tax on new goods and services. Here are the benefits:

- % It taxes everyone fairly and simply.
- % It eliminates:
 - √ ALL FEDERAL INCOME TAXES!
 - √ ALL PAYROLL TAXES!

√ ALL DEATH AND GIFT TAXES!
√ THE IRS!

- % It gives everyone a full paycheck.
- % It completely un-taxes basic necessities helping low-income people the most.
- % It un-taxes saving and investment income encouraging capital investment.
- % It treats tuition as a nontaxable investment in human capital.
- % It gives retirees and persons on fixed-incomes more disposable income.
- % **It raises the same amount of revenue as the current system (including Social Security and Medicare) at much lower marginal rates.**
- % It reduces the exportation of American jobs to other countries.
- % It entices offshore companies to bring their businesses home to America.
- % It eliminates all individual reporting forms and fees needed to prepare them.
- % It **stops billions** of dollars from being spent by special interests who lobby for preferential tax treatment in return for campaign contributions. For detail by industry, go to: (<http://www.opensecrets.org/index.php>)
- % It is estimated to boost GDP 10.5% the first year according to Harvard economist, Dale Jorgenson.
- % It makes our tax system truly voluntary by allowing people to control the timing and the amount of taxes they pay.

What Makes The FairTax Unique?

- % It eliminates the tax and compliance costs that are currently hidden in our goods and services thereby allowing retail prices to fall.
- % It taxes the cash economy including tourists, illegal aliens, and drug dealers who do not currently pay income tax. (**\$1 Trillion**)
- % It broadens the tax base so EVERY honest American pays less total tax.
- % It provides a prepaid, monthly rebate (prebate) to every legal resident to reimburse the taxes paid on basic necessities (currently up to \$29,140 for a family of 4). This completely untaxes the

poor and makes the overall rate progressive. Learn more at: <http://www.fairtax.org/PDF/2009FairTaxPrebateSchedule.pdf>

- % The prebate allows the plan to eliminate all exemptions and thereby prevent a new wave of corporate lobbyists from corrupting the plan.

What the MO Jobs & Prosperity Act will do

Under the MO reform bill (HJR-56/SJR-29), the current MO sales tax base would be expanded to include collections on both new goods and services with no tax on used goods. It keeps the sales tax rate at or below those of states that border MO and assure the changes will be revenue neutral for the state and local communities over the five-year phase in period. Additionally:

- % It eliminates the state's 6.25% tax on corporate income in year one. (2013)
- % It eliminates the state's 6% tax on personal income over 5 years including capital gains.
- % It jump-starts Missouri's job-creation engine.
- % It lowers the economic hurdles for starting a new business in Missouri.
- % It makes Missouri a more attractive business location than competing states.
- % **It encourages other states to reform their tax codes and provides proof that the national FairTax Bill (HR-25) will work in reality.**

What can you do to help?

Passing these reforms will require active citizenship on your part. Here's where to start:

1. Learn the process by which a bill becomes a law. For more info, go to: <http://www.youtube.com/watch?v=mEJL2Uuv-oQ> or <http://www.house.mo.gov/billtracking/info/habbl.pdf>
2. Opt into the FairTax network so you will receive our e-lets when an elected official is coming to your town or we need you to come

to Jefferson City to show support. Sign up at: www.FairTax.org **and** www.noMOincometax.org

3. Put the following email addresses in your address book to insure that our emails don't go to your Spam filter: info@FairTax.org **and** info@noMOincometax.org **and** johnlputnam@yahoo.com.
4. Learn how the FairTax actually works by watching the video online called: "Imagine the FairTax." (Use GOOGLE search.)
5. Use the resource at: http://www.fairtax.org/site/PageServer?pagename=about_ask_expert to get answers to commonly asked questions.
6. Use the resources at: http://www.fairtax.org/site/PageServer?pagename=about_research to learn how the FairTax will affect your specific industry.
7. Use the calculators at our state and national websites to determine if you would pay more or less tax under these two proposals.
8. Use the resource at www.congress.org and your zip code to obtain contact information for your elected officials. Try to determine if they have actually studied the FairTax proposal or just heard about it from a third party and what position they are taking. Respectfully, tell them of your support and call them weekly to answer their reservations until they endorse the plan as well.
9. Contact the leaders of any industry groups or trade associations that you are a part of and seek to correct any misunderstandings about the reform's actual provisions. Especially, local NFIB and Chamber members, MO Board of Realtors, Home-builders Assoc., Farm Bureau chapters, etc.
10. Check back often at: www.noMOincometax.org for additional resources and news relative to the MO bill.
11. Any grassroots movement must have money to succeed. A good place to start would be 5000 people donating \$10.40 each month until we are on the MO ballot. Contribute any amount to our cause at: <http://noMOincometax.org/Donations.html>

Create MO Jobs with Income Tax Reform in 2010!

ShowMe:
Simplicity,
Transparency,
&
Fairness

Join our campaigns and learn more at...

www.noMOincometax.org

and

www.FairTax.org