

Respond post

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Finance and Accounting Response Essay al Affiliation Jones etal. highlight on the complexity of the tax code and the difficulty that arises in trying to understand it. Many proposals have been drafted with the aim of simplifying the tax code. For instance, the flat tax where income is to be taxed at a flat rate. They propose that such a system would generate the same tax as current systems or even more. Further, such a system is easier to comprehend. My response to this proposal is that I do not believe or support the idea that everyone should be taxed at the same rate. Moreover, I am of the opinion that when the need for tax increase arises, which is normal, it would be difficult to get support from the public as they would interpret it as an increase in cost of living. Second, the writer highlights the proposal that a national sales tax should be established. In brief, the system would involve collecting sales tax at all retail establishments equal to 23% instead of taxing income. My response is in favor of the proposal. This is because the system would spread the tax burden evenly. This is because everyone buys things. Therefore, it curbs means of cheating and evading tax.

2. According to the article, Income Tax Reform and Flat Tax, the federal tax code is too detailed and lengthy. The writers propose a flat rate tax on income. It will make sure citizens have more money in their pockets as well as eliminate bureaucracy, long and expensive procedures during filing. Another proposal is Simple Exact Tax, and that is pure, fair and pro-growth. My response is that reform is necessary as we are evolving. The current system consumes time and money. Any error in the forms is fined by the government making the system very demanding (Jones, Thomas, & T. Lang, 2012). With the introduction of new taxes like medical excise tax, it gets more frustrating.

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3. The White House and Treasury Department have released Business Tax Reform that has suggestions for simplifying tax law and stimulate economic growth. The document proposes adoption of methods that will make it easier for people to start and run startups by reducing the deductions (The White House and the Department of the Treasury, 2012). My response is that if the suggestions are to be adopted, they will spell success for most people. The benefits from this reform would provide a more generous phase-out schedule and considerably simplify and restructure the tax credit rules

References

Jones, R., Thomas, J., & T. Lang. (2012, September 1). Income Tax Reform and the Flat Tax. *International Journal Of Business, Accounting, & Finance*, 6(2), 1-12. Retrieved April 18, 2015

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