INTRODUCTION AND OVERVIEW

This document is a hypothetical legislative Senate bill. The purpose for creating this bill is to suggest alternative principles and ideas for structuring taxation in order to provide a more equal parity of rights for both citizen and government, and to suggest means to incorporate performance-based management and accountability-for-results into government taxation processes. This document suggests changing the tax paradigm from taxing accumulated capital assets, to taxing the use of common services and infrastructure expected of government. This change provides better line-of-sight, from tax dollar, to result, which results in the benefits suggested earlier. This document is meant to stimulate discussion and encourage national policy dialogue.

Calendar No.

CONGRESS
SESSION

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To establish standardized taxation principles that result in quantifiable value outcomes and provide enhanced taxpayer rights that enable greater growth of economic prosperity.

IN THE HOUSE OF REPRESENTATIVES

[date]

[elected representative] (for Mr. R. Lewis of North Carolina) introduced the following bill.

A BILL

TO ESTABLISH STANDARDIZED TAXATION PRINCIPLES THAT RESULT IN QUANTIFIABLE VALUE OUTCOMES AND PROVIDE ENHANCED TAXPAYER RIGHTS THAT ENABLE GREATER GROWTH OF ECONOMIC PROSPERITY

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE. – This act may be cited as the "Standardized Taxation Economic Principles Act" (STEP).

(b) TABLE OF CONTENTS. –

SEC. 2. GENERAL DEFINITIONS.

(1) Reserved.

SEC. 3. SUPERCESSION.

(1) All laws in conflict with this legislation are hereby declared null and void.

SEC. 4. OVERVIEW.

(1) One of the most fundamental principles the constitution establishes is "no taxation without representation", thus, one reason for elected representatives. However, with increasing societal complexity, population size, the growth of

influential foreign and domestic interests, lobbyists, personal interests, collective political party tactics and all the other subverting influences that seek to erode the constitutional principle for unfair gain, the principle of representation and how to provide it to citizen taxpayers requires appropriate, balanced adaptation of guiding principles and controls. This is the purpose of this legislation.

SEC. 5. EFFECTIVE DATE.

(1) The provisions in this bill shall become effective twenty-four months from approval; except for,

(2) Tax code changes and IRS responsibilities shall become effective eighteen months from approval.

TITLE I –RULES

SEC. 101. AUTHORITY TO TAX

(1) Government at the Federal, State, Planetary Colony, Reservation, County, and any City with a population of 5,000 or more permanent year round residents shall have the authority to establish taxes and assess the taxes upon any individual or business or entity residing within its undisputed geographic boundaries.

SEC. 102. RULES GOVERNING TAX

(1) A tax must result in a tangible benefit to the individual or business or entity that pays the tax.

(a) Benefit is defined as infrastructure or services provided in common to the residents and transients of a geographic region and for which there is a statistical probability of 5% or greater that the taxpayer is likely to use or be served by the infrastructure or service provided during their residency or transit of the geographic region.

(2) Before a tax can be implemented it shall have a documented and published purpose statement which includes what the tax funds will be spent upon, what will be achieved, the metric(s) and target(s) by which success shall be measured, and a description of what benefit(s) will be conveyed to the taxpayer(s), and how the benefits will be conveyed.

(a) A tax shall have at least one and no more than three metrics with corresponding target values that quantify if the purpose and/or benefits of the tax have successfully achieved.

(b) The metric(s) for a tax shall be established by a panel of nine taxpayers chosen at random and three government officials who will have responsibilities performing work funded by the tax. Two of the nine taxpayers can be a business or other entity represented by an owner or an executive officer of the business or entity.

(3) A tax shall achieve the purpose for which it is collected and convey the stated benefits expected of its purpose, to the taxpayers, within a fixed time limit.

(a) A Federal tax has a maximum time limit of twenty years except for any tax devoted to medical research, space exploration or colonization, ecology, or renewable energy, which shall be allowed to establish an expected time limit.

(b) A State tax has a maximum time limit of five years.

(c) A County or Reservation tax has a maximum time limit of three years.

(d) A City tax has a maximum time limit of eighteen months.

(4) Any Government entity collecting a tax shall annually report to the taxpayers the status and metrics associated with the tax.

(5) If a tax fails to meet all metric targets for four consecutive months the tax shall be discontinued and the elected official most immediately responsible for management of the tax supported activity shall be immediately discharged from public office.

(6) The total amount of tax assessed to an individual or business or entity shall not exceed 20% of the income of the individual or business or entity.

(a) Federal taxes shall not exceed 10%.

(b) State or Colony taxes shall not exceed 5%..

(c) County or Reservation taxes shall not exceed 3%.

(d) City taxes shall not exceed 2%.

(7) Up to 15% of the total of a tax may be used for the costs to manage and direct the activities that result in the benefit provided by the tax.

(8) A tax may be implemented without public vote if the tax conforms to the provisions of this legislation and the tax is subject to all taxpayer rights in this legislation.

(9) A tax shall not be allowed on residential property, privately owned vehicle, privately owned computer, or privately owned telecommunication equipment and services as these are the basic tools by which private citizens acquire shelter, employment and grow their economic contribution to society.

SEC. 103. AUTHORIZED FORMS AND TYPES OF TAX

(1) A fee charged for a completely voluntary license or certification or service is not a tax. Examples include marriage licenses, pet licenses and notary services.

(2) A fee charged for completely voluntary use of non-essential infrastructure is not a tax. Examples include county library or city museum admission fees or parking garage fees.

(3) A cost for unavoidable use of infrastructure or mandatory services, licenses, or certifications shall constitute a tax. Likewise, the cost of a penalty for failure to acquire a license or certification shall also constitute a tax. Examples include restaurant health certifications or liquor licenses.

(4) If a payment is required for use or operation of public infrastructure or services, and payment is only required of taxpayers who use such infrastructure or services due to specific limited circumstance required by statute or law, then the payment required may be classified as a fee at the discretion of the government entity. Examples include public schools or prisons or real estate transaction recording.

(5) Tax shall not be implemented on:

(a) Retail sales except for:

(1) Fuel, tobacco, firearms, and alcohol.

(b) The value of an asset or property possessed by an individual, business, or entity, except for:

(1) Reserved.

(c) pensions.

SEC. 104. TAXPAYER RIGHTS

(1) A lien for payment of a tax shall not be allowed on residential property, privately owned vehicle, privately owned computer, or privately owned telecommunication equipment and services as these are the basic tools by which private citizens acquire shelter, employment and grow their economic contribution to society.

(2) An individual shall have the right to not pay a State, Reservation, County, or City tax.

(a) If an individual chooses not to pay a tax, then the State, Reservation, County, or City may withhold from the individual the service or use of the infrastructure supported by the tax. This could include denying use of public roads, fire, rescue, ambulance, or police services, public utilities, or access to public buildings.

(b) An individual that uses a denied service or infrastructure shall lose the right to not pay a tax for the duration of the tax year, and shall be liable to pay 250% of the original tax amount, and shall be subject to any penalties under statute or law.

(3) If 55% or more permanent year round residents of a government entity's geographic region do not pay a tax established by that government entity, then that tax shall be held to be retroactively rescinded and shall not be reinstated for a period of not less than eighteen months. Refunds shall be made to all individuals who did pay the tax.

(4) An individual or business or entity that owes more than $500 in taxes to any single taxing entity shall have the right to labor in the service to the taxing entity, in lieu of monetary payment.

(a) A minimum of five days of labor (forty hours), shall be performed.

(b) Labor provided in lieu of monetary tax payment shall constitute a contractual relationship and shall not be a form of employment nor confer a status as an employee.

(c) Labor shall be valued at the rate of the Federal minimum wage.

(d) A government entity is permitted to charge an amount for administration of a labor program that shall not exceed 25% of the taxpayer tax debt being satisfied by labor.

(e) To exercise the right of labor in lieu of monetary payment, the taxpayer must be physically capable of performing the labor made available. If the taxpayer is a business, the labor must be performed by a senior officer or owner of the business.

(f) Excess labor performed shall not be accrued as a credit available for future use.

(5) Any business with five or fewer employees and $150,000 dollars or less in gross annual revenue shall be exempt from taxation.

(6) Any individual with less than $10,000 dollars of gross annual income shall be exempt from taxation.

SEC. 105. ADMINISTRATIVE PRACTICES

(1) Government entities below Federal level shall be permitted to implement a taxpayer smart card program in order to identify the taxpayer and the infrastructure and services authorized and available to the taxpayer based upon payments of tax.

(2) States and Counties and Reservations shall be permitted to issue license plates with incorporated passive Radio Frequency Identification (RFID) capable of being used to enforce §§ 104(2)(a).

(a) Any RFID program shall comply with standards published by the NIST.

(b) Data from an RFID program shall not be possessed by intelligence agencies.

(c) Data from an RFID program shall not be preserved for more than 30 days except for aggregate counts used for statistical purposes and containing no PII data, and except for Data collected pursuant to a specific law enforcement investigation

SEC. 106. UNIQUE PROVISIONS

(1) Individuals serving as government officials immediately responsible for management of a tax program, or in the management hierarchy, shall be subject to full legal responsibility and liability for violations of this legislation

TITLE II – RESPONSIBILITIES

SEC. 201. INTERNAL REVENUE SERVICE (IRS)

(1) The Federal Internal Revenue Service (IRS) shall incorporate the provisions of this legislation into thee United States Tax Code, and in so doing, shall remove from the tax code any provisions in conflict with this legislation.:

(2) The Federal Internal Revenue Service (IRS) shall create, revise, update, or eliminate any forms, processes, departments, job descriptions, jobs, departmental budget items needed to comply with, and implement this legislation.

SEC. 202. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST)

(1) The National Institute of Standards and Technology (NIST) shall be responsible to establish standards for tax system interoperability, and Smart Card, RFID, or other technology used for purposes specified in this legislation and incidental to those purposes. This shall include compliance timelines, certification services, and procedures for reporting violations to an IRS department of taxpayer rights for enforcement.

TITLE II – ENFORCEMENT AND FISCAL PROVISIONS

SEC. 301. ENFORCEMENT

(1) The Federal Internal Revenue Service (IRS) shall establish a department of taxpayer rights protection that shall receive reports of taxing authority violations of this legislation and exercise enforcement and corrective actions. This shall authorize the use of Special Agents with full law enforcement discretion and jurisdiction.

SEC. 301. CORRECTIVE AND COMPENSATORY REMEDIES

(1) The Federal Internal Revenue Service (IRS) shall establish corrective and compensatory remedies for violation of this legislation, and as approved by Congressional oversight committee.

SEC. 302. FISCAL PROVISIONS

(1) The funding to perform the responsibilities required by this legislation shall be budget line items in department budgets.