

Simplifying America's Tax System Plan

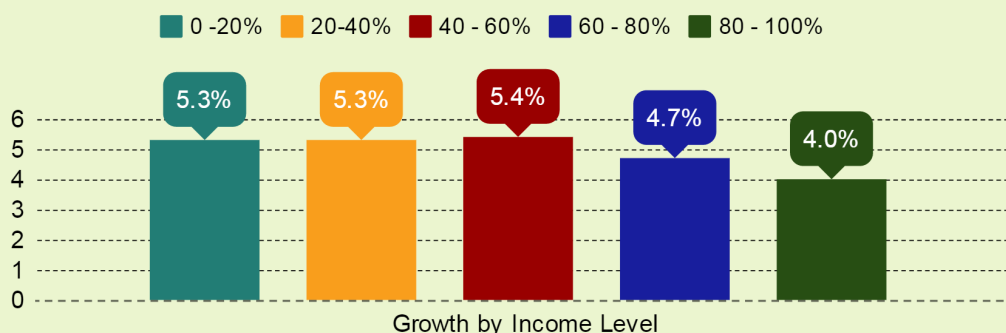
5.6%
GDP Growth



\$1,609
After-Tax Wage Income

Based on the non-partisan Tax Foundation's analysis, the SATS plan increases annual GDP growth to 5.6%, creates nearly 2 million new jobs, and provides hardworking Americans with an average of \$1,609 in additional after-tax wage income.

Effect of SATS Act on After-Tax Income



1.9 Million New Jobs!

- Eliminates the Corporate Income Tax, subjecting all business income to only one level of taxation.
- Establishes a tax system that does not pick winners and losers.
- Reduces income tax rates for all American taxpayers and decreases the income tax rate on pass-through entities.
- Makes U.S. companies competitive worldwide, while encouraging foreign direct investment in the U.S. and eliminating the need to move to a territorial tax system.
- Creates a lower two tier individual tax rate for over 99.9% of American taxpayers.
- Eliminates the marriage penalty and simplifies the tax code by increasing the standard deduction and repealing itemized deductions except for mortgage interest and charitable contributions. Expands the Earned Income Tax Credit and retains the Child Tax Credit.
- Dedicates \$185 Billion to the Highway Trust Fund from one-time deemed repatriation.

SATS Plan Outline

America is the global leader in technology, energy, finance, and innovation. Yet, our antiquated tax code inhibits our true economic potential. We need to provide a tax platform that fosters growth, encourages investment, and ensures a level playing field.

We cannot settle for middle of the pack. Other tax reform plans still leave the U.S. at a competitive disadvantage relative to our OECD counterparts.

The Simplifying America's Tax System (SATS) plan gets the federal tax code out of the way - eliminating the tiered taxation levels for corporations while lowering rates for small businesses and the middle class - and allows hardworking Americans to realize their dreams. Your success should be up to you, not the tax code.



Giving America an Edge in the Global Marketplace

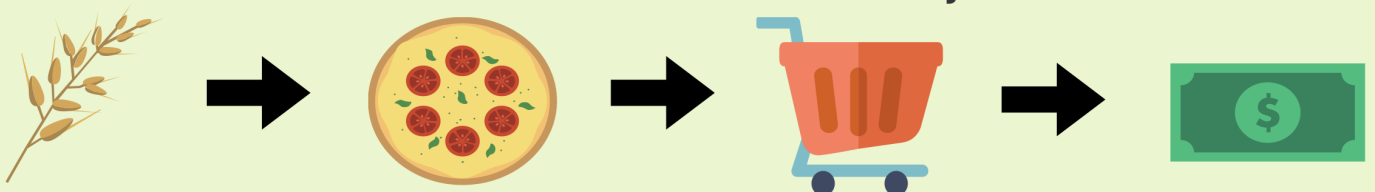
SATS provides the most desirable environment to do business within the OECD by completely replacing the corporate income tax with a 7% Business Activity Tax similar to Speaker Paul Ryan's tax reform plan in Roadmap for America's Future. All business income could be subject to a zero income tax rate.

Simplifies Returns for Individual Taxpayers



SATS simplifies the tax rates to 10% on income up to \$50,000, 25% on income between \$50,000 and \$750,000, and 35% on incomes above \$750,000 for single filers (double for joint filers). The sizable Standard Deduction of \$15,000, Personal Exemption of \$5,000, and elimination of most itemized deductions will dramatically decrease the complexity associated with preparing tax returns today. SATS retains the Child Tax Credit and strengthens the Earned Income Tax Credit for low income taxpayers. SATS also eliminates the Alternative Minimum Tax and the marriage penalty.

How a Credit-Invoice Business Activity Tax Works?



Assume you buy a frozen pizza in a store for \$10, and the Business Activity Tax is 7%.

1. A farmer sells a pizza maker wheat for \$1, the tax is \$0.07 and farmer remits that amount, the baker pays \$1.07.
2. The pizza maker sells the pizza to a supermarket for \$5.00, the tax is \$0.35, the supermarket pays \$5.35, the pizza maker remits \$0.28 and has a credit of \$0.07.
3. The supermarket sells the pizza to a customer for \$10.00, the tax is \$0.70, the customer pays \$10.70 for the pizza, the supermarket remits \$0.35 and has a credit of \$0.35. In total the government receives \$0.70 on the \$10.00 sale.