

FAIRTax *Nation!*

SOUTHEAST REGIONAL FAIRTax COALITION



The FairTax: Fair, Simple & Transparent

*For more info visit the SERFTC website
at:*

www.fairtaxchatt.com

Email us at: serftc@charter.net



Be sure to visit the following FairTax websites: www.fairtax.org & www.fairtaxnation.com

CAN WE AFFORD A PARTY?

Have you ever considered the differences between the current Income Tax Code and the Fair Tax? Consider the simple action of buying food for a party. (Budget of \$100.00)

It can be a child's birthday, football tailgate or any other event. (It also applies to any purchase you make.) You decide, but here is the affect the taxing system would have.

ACTION	SELF EMPLOYED INCOME TAX	SELF EMPLOYED FAIRTAX	EMPLOYEE INCOME TAX	EMPLOYEE FAIR TAX
Earn the gross wages	\$ 176.37	\$ 130.51	\$ 129.28	\$ 129.28
Social Security Taxes (15.3%/7.65%)	\$ 26.98		\$ 9.89	\$ -
Personal Income tax (28%/15%)	\$ 49.38		\$ 19.39	\$ -
Net wages	\$ 100.00	\$ 130.51	\$ 100.00	\$ 129.28
<u>Buying food for party: (shelf price)</u>	<u>\$ 100.00</u>	<u>\$ 100.00</u>	<u>\$ 100.00</u>	<u>\$ 100.00</u>
Actual food cost	\$ 78.00	\$ 78.00	\$ 78.00	\$ 78.00
Embedded business taxes costs	\$ 22.00		\$ 22.00	
Register receipt (Fair Tax 23%)		\$ 23.00		\$ 23.00
Pay cashier	\$ 100.00	\$ 101.00	\$ 100.00	\$ 101.00
 Funds not spent	 \$ 0.00	 \$ 29.51	 \$ (0.00)	 \$ 28.28
Can we buy beverages?	NO	YES	NO	YES
Total tax costs	\$ 98.37	\$ 23.00	\$ 51.28	\$ 23.00

Note: The self employed business person has reduced his revenues by 26% to eliminate the embedded income taxes on his fees for services! The party event is for purchases for personal use not part of the business.