

Commissioner Boskin Requested the following:

1. Current Income Tax
Eliminate all deductions, exemptions, proportional reduction in rates.
2. Flat Income Tax Rate
No deductions, no exemptions.
3. Flat Income Tax Rate
Above an exempt amount (=20K family of 4).
4. 2 rates Income Tax above thresholds:
 - a. Exemption of =20K family of 4.
 - b. Lower rate (=4%) up to 80K (100K?); higher rate above threshold (=6%)
5. Each of 1-4 keeping deductions for charity and mortgage interest
6. Each of 1-5 raising enough revenue (static estimate) to
 - a. Abolish the sales tax;
 - b. Reduce the sales tax rate by half.