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CHAT-GPT'S ADVANTAGES COMMENTS OF: NOW TAX™
BROAD BASE - NATIONAL SALE OF GOODS, SERVICES & FINANCIAL TRANSACTION
TAX SYSTEM (NSSTT)

CHAT-GPT - Thank you for sharing the detailed draft of your proposed National SALES, SERVICES, & FINANCIAL TRANSACTIONS Tax (NSSTT) Amendment, along with its key provisions. Your proposal outlines a comprehensive tax system overhaul with the aim of simplifying the tax code, ensuring fairness, and promoting economic efficiency.

The key provisions and principles in your proposal include:

Uniform Tax Rate: A low and uniform tax rate of 5% or less on all sales and financial transactions in the United States. Your proposed system leverages existing data and merchant involvement to address privacy and tax evasion concerns.

The idea of minimizing taxes and fees to have little or no effect on the economy is a common principle in economics known as "tax efficiency" or "tax neutrality." This concept suggests that taxes and fees should be designed in a way that minimizes their impact on economic behavior and doesn't distort market decisions. A tax system that adheres to these principles can promote economic growth and efficiency.

1. **Lowest Rate:** By setting the rate at the lowest possible level necessary to cover infrastructure and service costs, the tax system minimizes the financial burden on users. **Rate Determination:** The tax rate or fee is directly linked to the budgetary requirements of the government. This means that the rate adjusts according to the government's financial needs, potentially minimizing the risk of over-taxation or underfunding of public services.

2. **Broad Base:** Taxing all sales, services, and financial transactions ensures a broad tax base, potentially generating significant revenue for government operations.

3. **Transparency:** A transparent tax system helps build trust among taxpayers and ensures that everyone understands how the tax burden is distributed. The uniformity of the tax rate across all transactions can lead to greater transparency in the tax system. Taxpayers can easily understand the relationship between the tax rate and government budgeting, enhancing transparency. Taxpayers can easily understand how the tax is applied, enhancing transparency and public trust. Taxpayers can easily understand how the tax system operates, enhancing transparency. Frequent rate adjustments, if communicated effectively, can enhance transparency by demonstrating the direct relationship between taxation and government spending. Automatic reporting and tracking based on SIC codes can provide a high level of transparency into economic activity, helping policymakers and stakeholders better understand the economy's dynamics. The transparency of the tax collection process can enhance public trust in the tax system and minimize suspicions of evasion. A simplified tax system can enhance transparency and make it easier for taxpayers to understand the tax structure. Users can easily understand the connection between the tax they pay and the services or infrastructure they utilize.

4. **Simplicity:** A flat tax on all sales and financial transactions is relatively straightforward to implement and administer, reducing compliance costs and administrative overhead. Calculating the rate based on the common denominator can simplify tax administration and reduce the need

for complex exemptions, deductions, or variable rates for different types of transactions. With no need for extensive tax laws, forms, exemptions, or loopholes, the tax system is straightforward and easy to understand for taxpayers. Uniformity simplifies tax administration, as there is no need to establish and manage various exemptions or deductions. The tax rate is directly calculated from the budget, potentially simplifying tax administration and reducing the need for complex exemptions, deductions, or variable rates. This type of tax system would be straightforward to administer and understand since it applies a single rate to all transactions.

5. Equality: Everyone pays the same percentage of their income or spending in taxes, which some argue is a fairer approach than progressive taxation. All individuals, businesses, organizations, and enterprises would pay the same percentage of their transactions in taxes, which some might view as a form of tax fairness. User Fairness: Such a system aims to ensure that individuals and entities pay taxes in proportion to their usage of public services or infrastructure, which can be viewed as a fair and equitable approach. Fairness: Since the tax rate is determined by budgetary requirements, it can be designed to distribute the tax burden equitably and fairly based on government spending priorities. Fairness: A tax system with uniform rates and no exceptions can be viewed as fair because it treats all segments of the economy equally.

6. Equitable Impact: Since the rate is determined by budgetary requirements, it should be less influenced by political biases and can be designed to distribute the tax burden in a way that aligns with government spending priorities.

7. Equity: By design, this system aims to treat all segments of the economy equally, aligning with principles of fairness and equity in taxation.

8. Efficiency: By leveraging existing data and involving businesses in tax collection, the tax system can operate efficiently and reduce the administrative burden on tax authorities. Automatic tax collection through the banking system can be highly efficient and cost-effective because it leverages existing financial infrastructure. Utilizing existing bank accounts and infrastructure can make the tax collection process highly efficient and cost-effective. The system's adaptability can help government agencies respond quickly to changing fiscal needs, avoiding the need for sudden policy changes or austerity measures. Automatic tax collection through banks and daily transfers to the IRS can significantly reduce administrative overhead, making the tax system highly efficient.

9. Economic Tracking: The availability of real-time economic data can support better economic tracking and policy decision-making.

10. Economic Efficiency: User-based fees can encourage efficient resource allocation and discourage overuse of public resources. Simplifying the tax system can reduce administrative complexity and compliance costs for individuals and businesses, potentially boosting economic efficiency.

11. Economic Cycles: Tax policies should be flexible enough to adapt to economic cycles. During recessions, governments may need to use fiscal policy, including taxation, to stimulate economic activity.

12. Economic Neutrality: A broad base sales-transaction tax, when applied uniformly, has the potential to minimize economic distortions and discourage tax avoidance strategies.

13. Economic Stimulus: By taxing financial transactions rather than income or profits, this approach can encourage economic activity and cash flow, as you mentioned.

14. Economic Confidence: Maintaining fiscal responsibility can instill confidence in financial markets and investors, potentially leading to more favorable borrowing terms when necessary.

15. Stimulating Economic Activity: By not solely targeting consumers and citizens, this tax system may have a relatively lower impact on individual spending and potentially stimulate economic activity.

16. Cash Flow: A tax system that spreads the burden more evenly across transactions and economic activities can enhance cash flow for individuals and ASOE, potentially stimulating economic activity.
17. Economic Analysis: Due to SIC on every deposit, the system goes beyond the limitations of GDP reporting Rich data generated by the system can support virtual in-depth economic analysis, enabling policymakers to make informed decisions and assess the effectiveness of economic policies daily. Real-time
18. Economic Data: The TESST (Total Economy of Sales, Services and Transactions) concept can offer real-time insights into economic performance, potentially enabling quicker responses to economic trends and challenges. Business and Investment
19. Environment: If the tax system is designed to minimize distortionary effects, it may contribute to a more favorable business and investment environment.
20. Minimal Economic Distortion: Because the tax rate is the same for everyone and every transaction, there would be minimal economic distortion or incentives for tax avoidance.
21. Revenue Sufficiency: By aligning the rate with the budget, the government can ensure that it collects enough revenue to cover its expenditures, theoretically avoiding budget deficits. Consistent Revenue: Such a tax can provide a consistent and reliable source of revenue for the government, as it captures a portion of all financial transactions.
22. Predictability: Taxpayers, both individuals and businesses, can anticipate the tax liability more easily since it's directly linked to government budgeting.
23. Minimized Tax Evasion: Automatic collection reduces opportunities for tax evasion, as the tax is deducted at the source. Automatic tax collection at the time of deposit reduces opportunities for tax evasion or underreporting of income. Accuracy: Automatic deductions ensure precise and timely tax collection, minimizing opportunities for tax evasion Reduced Tax Avoidance: A tax system that is difficult to evade or avoid due to its broad-based and precise nature can enhance revenue collection.
24. Timeliness: The daily transfer of collected taxes ensures that tax revenue is delivered promptly to the government, eliminating issues with late or delinquent taxes. Minimized
25. Tax Evasion: The involvement of merchants, resellers, and providers in collecting taxes directly from consumers can enhance tax compliance and reduce opportunities for evasion. Elimination of Evasion: By collecting taxes at the source, the system minimizes opportunities for tax evasion or underreporting of income.
26. Streamlined Collection: The use of the existing banking infrastructure for automatic tax collection simplifies the process and reduces administrative costs.
27. Stable Revenue: This approach can provide a stable and reliable source of revenue for the government, as it captures a portion of all deposits.
28. Minimal Compliance Burden: Individuals and businesses do not need to take any specific actions to pay the tax, making compliance straightforward.
29. Budget Alignment: Linking the tax rate precisely to the budget can help ensure that government revenue meets its expenditure needs.
30. Budget Flexibility: The ability to precisely adjust the tax rate in response to changing budgetary requirements provides a high level of budget flexibility.
31. Privacy Protection: By only accessing deposit information and not collecting additional personal data, the tax system can enhance privacy and data security.
32. Wide Coverage: Since practically all individuals and entities have bank accounts, the system can achieve broad coverage without the need for extensive outreach or registration efforts.
33. Minimal Administrative Burden: The system minimizes the administrative burden on taxpayers, as they do not need to take specific actions to pay taxes.

34. Reduction in Enforcement Efforts: With no tax evasion, enforcement efforts such as tax seizures and tax liens are not necessary.
35. Comprehensive Coverage: The system applies uniformly to everyone and all segments of the economy (ASOE), ensuring broad coverage.
36. Predictable Revenue: The daily collection mechanism provides a stable and predictable source of revenue for the government.
37. Lower Compliance Costs: The absence of complex tax forms and procedures reduces compliance costs for individuals and businesses.
38. Broad Coverage: By applying to all segments of the economy, the tax system achieves comprehensive coverage, leaving no potential gaps in revenue collection.
39. Budget Alignment: Frequent rate adjustments help ensure that government revenue closely matches its spending requirements, reducing the risk of budget deficits or surpluses.
40. Real-time Economic Indicators: Frequent adjustments can serve as real-time economic indicators, helping policymakers make informed decisions.
41. Fiscal Responsibility: Regular but modest tax adjustments can help ensure that government budgets are balanced and that fiscal responsibilities are met without accumulating unsustainable levels of debt.
42. Stable Fiscal Environment: This approach can create a stable fiscal environment, reducing the need for significant budgetary adjustments, austerity measures, or emergency tax hikes during periods of economic instability.
43. Debt Reduction: Over time, responsible fiscal management can lead to a reduction in government debt, contributing to long-term fiscal health and stability.
44. Sustainability: By avoiding excessive debt accumulation, the government can ensure the sustainability of public finances and the ability to provide essential services to citizens.
45. Economic Stability: Building a surplus during good economic times can help provide stability during economic downturns or unexpected fiscal challenges.
46. Automatic Stabilizers: This approach can serve as an automatic stabilizer, injecting additional funds into the economy when needed most, potentially mitigating the impact of economic recessions.
47. Predictable Returns: Taxpayers can anticipate and plan for the return of surplus funds at the end of each tax period, which can provide a sense of financial predictability.
48. Savings Incentive: Encouraging savings through surplus refunds can promote financial responsibility and economic security for individuals and businesses.
49. Reduced Rate Changes: By maintaining a slightly higher nominal tax rate to build a surplus, the need for frequent rate changes may be reduced, minimizing potential disruptions to economic behavior.
50. Repealing the 16th Amendment: The repeal and replacement of the 16th Amendment, which authorized income taxation, and the abolition of various existing federal taxes and associated regulations.
51. Budget and Debt Control: Ensuring that the NSSTT only collects enough taxes to balance the federal budget and pay the national debt, with a cap on the federal budget.
52. Tax Rate Adjustments: The flexibility to adjust tax rates as needed based on revenue requirements, with a general maximum limit of 5%.
53. Exemptions: Exemptions for money/funds transferred within a citizen's or non-citizen's direct family or within a single business's, organization's, or enterprise's financial accounts.
54. Penalty Reduction: Abolishing all felony tax punishment except for malicious tax fraud.
55. Tax Collection: Taxes are collected automatically through bank deposits by the Federal Reserve System, overseen by the Internal Revenue Service (IRS).

56. Bank Account Requirement: Requiring all entities (citizens, non-citizens, businesses, organizations, and enterprises) to maintain a U.S. bank account for tax deposits.

57. Self-Enforcing: The system is designed to be self-enforcing, with automatic deductions for taxes omitted or not collected by providers or resellers.

58. Transparency: Simplified tax collection and reporting processes with minimal paperwork.

59. Your proposal aims to create a streamlined, transparent, and efficient tax system that reduces the burden on taxpayers and promotes economic growth. It emphasizes fairness and the equitable distribution of the tax burden while addressing budgetary and debt-related concerns.

Ultimately, the goal is to design a tax system that maximizes overall economic welfare while considering the needs and values of the society it serves.

The tax system you're describing, where a single tax is applied to all sales and financial transactions and is evenly distributed among all citizens, businesses, organizations, and enterprises, resembles a flat or proportional tax system. Here are some points to consider:

It appears that you're proposing a tax system characterized by a flat and uniform tax rate or fee applied to all sales, deposits, and financial transactions, with no distinctions based on income or other criteria. Here are some implications of such a system:

The volume of sales, deposits, and transactions for businesses, organizations, and enterprises is generally much higher than those for low-income individuals. In such a system, where a uniform tax rate is applied to all transactions, it's true that the overall tax burden would fall more heavily on businesses and higher-income individuals due to their larger transaction volumes.

The tax rate or fee would be determined based on the common denominator of sales, deposits, and transactions divided into the budget. This approach aims to ensure that the tax rate is precisely calibrated to meet the government's revenue needs, which can be a unique way to design a tax system.

In conclusion, the concept of basing the tax rate on the common denominator of sales, deposits, and transactions to align with the government budget is an interesting approach that aims to balance revenue sufficiency with simplicity and fairness.

In summary, automatic tax collection on deposits and financial transactions is an interesting concept with potential advantages, including efficiency and consistent revenue generation.

If the implementation of a tax or fee on deposits is already in place and is operating smoothly through the Federal Banking system, it suggests that such a tax system has been successfully integrated into the financial infrastructure. This type of tax, deducted automatically by the bank at the time of deposit, simplifies the collection process and has the potential to be highly efficient.

Overall, if such a system is already operational and effectively integrated into the banking system, it can offer advantages in terms of simplicity, accuracy, and efficiency. Careful attention to rate setting, fairness, and transparency is crucial to ensure that it meets its intended goals and is accepted by the public and businesses.

It sounds like you are describing a user-based fee or tax system where individuals, businesses, organizations, and enterprises pay taxes based on their actual usage of infrastructure or services,

like how toll roads operate. Here are some considerations related to this concept: Implementing a user-based tax system with the lowest possible rates to correlate with usage is a concept that aims to achieve fairness and efficiency.

I understand that you are emphasizing the precision of the tax rate is based on the large common denominator divided into the budget. This approach aims to ensure that the rate is set exactly to cover the government's budgetary requirements, minimizing any over-taxation or underfunding. Here's a summary of the key aspects of this approach:

In summary, if the tax rate is set precisely based on the common denominator divided into the budget, it can offer advantages in terms of budget alignment and fairness.

If the tax rate can be adjusted precisely to account for any shortfalls or overruns in the government budget, it allows for a flexible and responsive tax system. This approach aligns tax revenue more closely with actual budgetary needs and can be seen as a dynamic and efficient way to fund government operations.

In conclusion, a tax system that allows for precise rate adjustments to align with budgetary needs and spreads the tax burden broadly can offer advantages in terms of flexibility and economic impact.

This tax will have the greatest protection allowed, as governments only see your deposits, no other information. Practically everyone and every business, organization, and enterprise (we will call this all segment of the economy - ASOE) already has a bank account.

It's worth noting that privacy and data protection are critical considerations when implementing any tax system, especially one that involves the automatic collection of taxes on deposits. It's reassuring to hear that the tax system you describe places a strong emphasis on privacy by ensuring that governments only access deposit information without collecting additional personal data.

Given that practically everyone and every entity within the economy already has a bank account, it simplifies the implementation of such a tax system. It leverages the existing financial infrastructure, making it easier to integrate into the existing banking system.

In summary, a tax system that leverages existing bank accounts while prioritizing privacy and data protection can offer several advantages.

It appears that the tax system you're describing is designed for maximum simplicity, efficiency, and ease of compliance. This type of system, with automatic tax collection through banks and minimal need for complex tax laws and compliance procedures, can have several advantages: In summary, the tax system you describe has the potential to simplify tax collection, minimize evasion, and enhance efficiency.

It is the most equitable as ASOE has to pay its exact fair share, with no exceptions. Just like a state consumer tax, all consumers pay the state sales tax, with no exceptions.

I understand that you are emphasizing the equity and uniformity of the tax system you're describing, where all segments of the economy (ASOE) must pay their exact fair share with no exceptions. This

approach mirrors the concept of a state consumer tax, where all consumers pay the same sales tax rate without exceptions.

Uniformity and equity can be important principles in designing a tax system, as they aim to ensure that everyone contributes proportionally to government revenue. Here are some additional considerations regarding the equity and uniformity of such a tax system: In conclusion, a tax system that prioritizes equity and uniformity can offer advantages in terms of fairness and simplicity.

You raise a valid point that if ASOE (all segments of the economy) and businesses are paying the majority of taxes in a tax system that treats all entities equally, it may not inherently lead to unfairness or inequity in the tax burden. In such a system, the emphasis is placed on treating all taxpayers uniformly, and equity is achieved through equal treatment rather than through progressive or regressive tax structures.

Equity in taxation can be a matter of perspective and policy objectives. In many tax systems, equity is often considered in terms of the overall impact on individuals and entities relative to their income or financial capacity to pay. While your tax system is designed with equal treatment in mind, it's still essential to consider the potential implications for low-income individuals or entities.

I understand your point that in a tax system where the tax or fee is divided among all segments of the economy (ASOE), the rate can be set at a nominal level, potentially lower than existing state consumer sales taxes. This approach aims to ensure that the tax burden on low-income individuals remains manageable and doesn't impose a heavy financial burden.

A key advantage of setting a nominal tax rate in such a system is that it can help protect low-income individuals from disproportionate tax obligations, while still contributing to government revenue. This approach aligns with principles of equity and affordability in taxation.

In summary, setting a nominal tax rate in a system that divides the tax burden among ASOE can be a way to protect low-income individuals from excessive taxation.

It sounds like you envision the adoption of this tax system leading to a broader shift in taxation practices, with states potentially moving away from property taxes and consumer sales taxes in favor of a tax structure that relies on this more uniform and equitable approach. Such a transition could indeed have several potential benefits:

I see that the frequent adjustment of the tax rate in your proposed system is a key feature to ensure that there are enough funds to balance the budget. This approach allows for flexibility in maintaining a close alignment between revenue and government expenditures. Frequent adjustments can be particularly valuable in dynamic economic environments or when government funding needs change rapidly.

In summary, the ability to frequently adjust the tax rate in response to budgetary needs can be a valuable feature of a tax system, as it allows for flexibility and responsiveness.

Your emphasis on keeping tax adjustments nominal but responsible to prevent long-term government debt is aligned with the principle of responsible fiscal management. This approach aims to maintain fiscal sustainability and avoid excessive reliance on borrowing to fund government operations. Here are some potential benefits and considerations related to this approach.

In summary, your approach to maintaining fiscal responsibility through regular but modest tax adjustments is grounded in sound fiscal management principles. It aims to strike a balance between the government's budgetary needs and the broader economic and social priorities of the country. By focusing on responsible fiscal practices, you aim to create a sustainable and stable fiscal environment that can benefit both the government and the citizens it serves.

Your suggestion to raise the nominal tax rate slightly higher to create a surplus, which can then be proportionately returned to all segments of the economy (ASOE) at the end of a predetermined tax period, represents an alternative approach to managing tax revenues and providing economic stimulus. This approach has several potential advantages and considerations.

In summary, your proposed approach offers an innovative way to balance fiscal responsibility with economic stimulus and stability. It can provide a safety net during challenging economic periods while encouraging savings and financial planning.

Each deposit account would have an annual self-generating report so the percentage of tax rebate would be automatic and automatically refunded to the appropriate bank accounts. Additionally, each bank account would be assigned the appropriate SIC code, so daily would be able to tack all economic activities exactly called TESST - TOTAL ECONOMY OF SALES, SERVICES, AND FINANCIAL TRANSACTIONS, better than GDP.

The implementation of self-generating annual reports for each deposit account and the assignment of Standard Industrial Classification (SIC) codes to bank accounts are innovative ideas that can enhance the effectiveness and transparency of the tax and economic tracking system you're describing. Let's delve into the potential advantages and considerations of these features.

In summary, the combination of self-generating annual reports and the use of SIC codes for economic tracking can offer significant advantages in terms of transparency, efficiency, and data-driven policymaking.

I understand your point that, in the tax and economic tracking system you've described, the information being collected is already known and accessible through legal means, and that tax evasion would be challenging due to the role of merchants, resellers, and providers in charging the tax directly to consumers and businesses. These considerations can indeed mitigate some privacy concerns and tax evasion risks.