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United States Senate

WASHINGTON, DC 20510-3603

April 17, 2002

Mr. Kenneth Grice
5103 South Sheridan #110
Tulsa, Oklahoma 74145

Dear Mr. Grice:

Thank you for your correspondence regarding Bob Schulz. As your voice in Washington, I appreciate being made aware of your views.

As you know, Bob Schulz, who is the founder and chairman of the We the People Foundation, has made himself known as a champion of taxpayer's rights by claiming that the 16th Amendment, which gives Congress the "...power to lay and collect taxes on incomes...", was fraudulently ratified in 1913. Mr. Schulz is demanding that the federal government take part in a public forum "...to refute evidence of researchers from the Tax Honesty Movement as to the unconstitutionality of the federal income tax and its illegal enforcement," according to his We the People website.

As I am sure you are aware, I have always been an outspoken advocate for limiting our government. I believe that the current federal income tax is responsible for more than a hundred billion dollars in tax cheating and costs the economy tens of billions of dollars in wasteful investment. Furthermore, our entire tax code is predicated on the premise of voluntary compliance. Yet nuances, loopholes and other arcane rules make income tax preparation increasingly difficult. Presently, I am studying several different proposals to reform and simplify the current tax code.

One popular proposal is a flat tax. Under a flat tax, all income would be taxed once and only once at a low uniform rate. This form of taxation meets the tests of efficiency, equity, and simplicity which the American people now demand. Another proposal with merit is the national sales tax. The most obvious advantage of this plan is that it would eliminate the need for the IRS. A consumption tax, like the national sales tax, would inevitably lead to increased savings. Increased savings creates investment, and investment creates economic growth.

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As different proposals are brought before the Senate, I can assure you that I will be a strong advocate to simplify the tax code, as well as keep the views of people, such as Bob Schulz, in mind.

Thanks again for contacting me. Please do not hesitate to do so again.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim", written in a cursive style.

James M. Inhofe
United States Senator

JMI:cj