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RULES AND ADMINISTRATION

**United States Senate**  
WASHINGTON, DC 20510-3602

April 16, 2002

Mr. Donald Huff  
233 Cedar Street  
Perry, Oklahoma 73077

Dear Donald:

Thank you for your correspondence in support of reforming the federal tax system. I share your interest in this issue.

The average American taxpayer today must surrender about 40 percent of their earnings to Federal, State, and local taxes to feed the insatiable desire of the government to spend. Supreme Court Justice John Marshall said, "The power to tax is the power to destroy." I believe the only way to ensure continued economic growth and a healthy society is to minimize the tax burden on Americans.

As you know, several proposals are being considered to reform the federal tax system, such as a flat tax, consumption tax, national sales tax, and others. In the last Congress, Representative Richard Arney introduced legislation modeled on a plan developed by Stanford economists Robert Hall and Alvin Rabushka. Under Congressman Arney's proposal, all personal income would be taxed once at the single rate of 17 percent. High personal allowances would be permitted (\$13,100 individual, \$26,200 married) and the dependent deduction would be increased to \$5,300. Interest would be neither deductible nor taxable.

Businesses would pay a 17 percent rate on the difference between gross revenue and expenses, which would include purchases of goods and services, capital equipment, structures, land, wages and pension contributions paid to employees. By permitting businesses to deduct all expenses, including plant and equipment, at the time of purchase, the plan would eliminate complicated depreciation schedules.

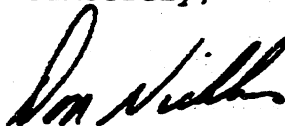
The benefits of a flat tax are simplicity and fairness because most income would be taxed at a low rate and deductions would be limited. This would have the affect of reducing the bureaucratic maze of the IRS while increasing compliance because of a simpler system.

I certainly share your concern over the large percentage of taxes that hardworking wage earners are required to pay to the Treasury each year. I am a strong supporter of reducing the tax burdens on all individuals. I am honored to have been recognized by both the National Taxpayers Union and Watchdogs of the Treasury as being the leader in Congress for taxpayer concerns.

Although Congressman Arney's flat tax legislation has yet to come before the full Senate for a vote, be assured I will give this and other legislation my full attention as Congress considers tax reform this year and next.

Again, thank you for sharing your views and please feel free to contact me whenever I can be of assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Don Nickles".

DON NICKLES  
U.S. Senator