



Academic Publication and Issues of the Day: U.S. Income Tax Paradigm

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Abstract

As academic researchers and American citizens during a most tempestuous Presidential election we have often been struck by the misinformation and misunderstanding of many of the issues of the day. It seems that the electorate world-wide are rationally ignorant and lazy and we in the academy do little to change that or even to represent a healthier paradigm. Perhaps it is because “it takes a lot of time to track down, organize, and analyze the data to answer even one small question well (p. 2). . . . [And, moreover,] When people don’t pay the true cost of something [or cannot understand the real costs], they tend to consume it inefficiently (p. 15). . . . [Finally,] if you ask the wrong question, you are almost guaranteed to get the wrong answer (p. 49).” These are the words of famed Freakonomics authors Levitt and Dubner in their latest work, *Think like a Freak: How to Think Smarter about Almost Everything*, (2014). In that work Levitt and Dubner challenge all of us, especially those of us that claim to be facilitating others toward a more effective life-time of work and contribution, to think more clearly toward developing real solutions for pressing issues. Those quotes lead us to the question of how does a “Freak” think? They think like a genuinely curious kid noticing new facts and views with few assumptions and expectations without overthinking: open to the obvious and the totally unexpected and everything in-between! With these thoughts in mind, the overall goal of this research is to produce an academic and practical exemplar starting point for U.S. Tax Code enhancements that could possibly be applied to world-wide tax policies (Aredy, 2015; Service and Loudon, 2013 and 2015; and Service, Loudon and Kariuki, 2014). Moreover, while developing our “straw-man” proposal we are demonstrating a “scholastic inquiry” being applied to developing a usefully suggested solutions for a contemporary and very important issues. We start with underlying assumptions that U.S. Federal Income Tax (FIT) as any governmental policy 1) must be understandable, 2) require no paid intermediaries, and 3) facilitate “automatic” evaluation of impacts for new governmental spending and financing proposals. This research should present a deep analysis of the how, who, why and what for addressing contemporary conundrums.

INTRODUCTION

As you read this research realize that we are building on years of research into human nature, accounting, markets, politics, tax law, managing, leading, innovating and thinking to derive at a suggestion about how to modify one of the most complex systems in history. We do not take research lightly and have used every single angle or piece of useful information to come to a workable American FIT that will stand the test of time; suggestions that could be a model for world-wide income tax reform. Moreover, we would like the readers to understand that the

first author, unlike the second author, is not an accountant. We feel this combination of views gives this paper a more comprehensive application for “if only the insiders are considered competent to make critical comments about the subject, then the criticisms are likely to limited to relatively technical issues, some of the broader aspects of criticism being, no doubt, significantly neglected (Penrose, 2016: p. 1).” Bear with us as the how and why of going over so many different sources from such varied disciplines eventually results in relatively simple suggestions: often the most difficult solutions are too simple to see.

We start this manuscript with a challenging abrupt statement that the U.S. FIT systems are massive political frauds embedded with years of failed manipulations that have caused negatively productive transfers of wealth, wasted human intellect, misguided financial decisions, reduced economic growth and more. The convoluted huge amount of code in U.S. income tax laws make it impossible to evaluate impacts of changes insuring that the FIT remains a tool for extraordinarily destructive voter manipulations and influence pedaling. Politicians that do not understand this either lack the intellect or honesty necessary to serve in our complex society. Here we forward the notion that FIT’s deeply systematic detrimental impacts can only be changed by admitting the depth of the problems, reassessment, reanalysis, repurposing and totally replacing FIT systems. We have arrived at our currently untenable FIT out of incremental rational ignorance, in part because it was to the advantage of our political leaders and those that profiting from FIT transfers; and because we prefer letting others think for us. Remaining in that quagmire is totally a choice and one we feel American can ill afford to continue. The 2016 American national elections are making citizens acutely aware of the need to understand what political proposals will cost. As thinking people know, free college tuition, covering preexisting health conditions, upgrading infrastructure, minimum wage increases and adding regulations as well as tax code changes in deductions, categories of income and so on, all have costs. Further, everyone should realize they will share in any costs whether directly or indirectly, regardless of the spin of politicians who want to make us believe someone else will pay. For example, as simple as it sounds, the minimum wage earners will pay the highest proportional costs for increases in minimum wage in the form of lost jobs and higher prices. An increase in the minimum wage only benefits those wage earners who are able to keep their jobs and don’t have to spend their increase simply on higher prices for current necessities!

This manuscript submits that we start more often using the reality of academia publish or perish to address major issues of the day in order to develop innovative solutions which can be further evaluated as points of reference (Angrist and Pischke, 2009; and Service and Loudon’s call, 2015). Recently famed international rock star, Bono, said America has big ideas, that American is a big idea, and that the world needs big ideas from America. We challenge American University educators to put some of its brain power toward addressing major issues of our time; and if taxes and taxation are not critical issues in the time of worldwide runaway debits and deficits, there are no major issues. “Everybody is in favor of tax reform, and certainly at least corporate tax reform, but it never happens (Seib, p. B6: 2016).” And, in forging a new FIT system, “Almost everything has to go right and a million things can go wrong (“Years of Turmoil Forged Tax Plan,” 2016: p. A2).

Research Questions

The following research questions will be answered under a foundation of the relevant literature and Tax Code: How to evaluate current research and clarify thinking toward a useful and necessary objective? How can we more clearly define the U.S. Tax Code’s current uses and objective and underlying assumptions? What do the U.S. Federal Income Tax (FIT) Code objectives need to be and what are the underlying associated assumptions? What would a tax

code that meets identified objectives under the correct assumptions entail? How this new FIT allows clarity in evaluation of new proposals and their costs?

Objectives of a Federal Income Tax System

We start by backing up to the enlighten thinker and father of modern economics and the most successful economic system in history, Adam Smith, in order to clarify guiding principles for taxation (Ashton, 1969; Butler, 2007; Leighton and Lopez, 2013; and Smith, 1779). Smith's axioms on taxes include 1) ability to pay, 2) certainty, 3) convenience, and 4) efficiency (Creedy, 2009 and Smith, 1776). These fundamental assumptions and objectives have changed little over time. In the current U.S. Tax Code, only the ability to pay can be found (Butler, 2007). This needs to be rectified. Any derived approach must stress simplification and meeting all of Smith's principles as a bare minimum base. A review of the more academic literature, finds much complexity in the taxation arena related to formulation for equity, efficiency, stability, sufficiency and social and economic justice. Leaving one to conclude that taxation must be simplified to be understandable and understood by those that must calculate and pay taxes; and all who need to evaluate governmental proposals for spending or revenue. It is widely understood by anyone studying the topic that the complexity in federal income taxation is a political ploy that has gone madly awry, to put it in straight forward normal speak (the murky mess of Tax Code and more is made crudely clear in Sorkin, 2009). Citizens in an open and free society must be in charge and continually fight toward the needs of the population as a whole not the need to pander and buy votes to insure reelection (Service and Loudon, 2013). There is simply only one explanation for not changing the existing system as it plays out in practice. That purpose has to be to confuse the taxpayers so that the "confuser" can profit (votes and dollars) from the mess.

We started to get into the research on modern 'complexity,' and chaos theories, equilibrium models, role of confidence, bartering, symptoms versus causes, political corruption and cronyism, constrained versus open systems, golds standards, and more. But, we did not in a large part because of the probabilistic versus deterministic nature of our current FIT. The absoluteness and simplicity of our proposed FIT makes most of these mentioned issue of no concern. Let us go back from this brief aside which was added to let you know we considered all we could find related to our chief aim of revamping FIT. But first, recall that in theory there is no difference in practice and theory, but in practice there is.

Into this mix of the extant literature related to taxes, we will add innovation thoughts and guidelines as well as demonstrate strategic innovation through our solid tax proposals. A guiding principle will be a point of strategy that needs to be the norm. That is to start with what you want and need to accomplish stated as objectives noting underlying assumptions. Do not start with what you have for if what you have is the best it will raise to the surface (Kane, et al, 2015; and Service and McEwen, 2015). Yes, status quo needs the same evaluative criteria as other alternatives: neither more nor less.

As academic professors, researchers, consultants and writers, the current authors have the depth of experience and education to look at the complex terms of economics and the statistics footings related to elasticity, substitution, indifference, utility, social welfare, social workfare, optimal, fundamental, choice, demand curves, incentives, behavioral psychology, expenditures, collections, destabilization, deductions, write-offs, alternative minimums, activity inducements, sur-taxes, productivity, avoidance behaviors, weighted alternatives, marginal and effective rates, burden shifting, supply-side, moderator and mediator effects, mitigated, sensitivity, offsets, Keynesian Macroeconomics theory, delay incentives, phase-outs, caps, hidden-cost or

benefits, significance contemporary, idiosyncrasies of . . . , aggregate demand, supply side, fiscal stimuli, consumption spending, transfer spending, multiple effects, lump sum, fixed, variable, automatic, buffer, countercyclical and cyclical, stealth tax, lean or robust, efficiency, simplicity, locational, secure, insecure, transparency, trust and distrust, gross and net, pre-tax, after tax, treatment, fostering, encouraging, social engineering,, supportable, securitization, devaluations, derivatives Enough! Get the picture? This obscenely long list of tools, terms, theories and approaches is almost unlimited. When we try to meet all social and economic criteria imaginable with FIT, we simply meet no determinable criteria (Walters, 2013). And, when statistics are involved remember, “Regression analysis and correlation, so beloved by finance quants and economists, are ineffective for navigating the risks ahead (Richards, 2014: p. 4).”

A new FIT must move away from the complications caused by the combination and permutation of millions of words of Tax Code coupled with economic, social and psychological considerations in tax policy development and tax impact calculations. All of these aspects taken together show that it is basically impossible to determine the ramifications of taxation; neither determination of impact on collections or behavior is possible without simplifying the code. In a democracy the impact on taxes (rates, collections and deficits) of proposed changes need to be easily assessable by normal voters, not just by highly trained economic specialists. There are economic and social dangers in an unintelligible FIT. Those issues result in lost or misplaced opportunity costs and can result in a discontented electorate which can lead to distorted elections as seen in the 2016 U.S. Presidential election. The following principle should be understood when formulating a new FIT: “Stronger, broadly shared economic growth would drain some of the anger from many issues dividing voters today (Ip, 2016: A2).”

To get to the point that taxing implications or amounts can be determined for new or different governmental programs, we first meet Adam Smith’s criteria and then meet the following guidelines for FIT be it individual or business taxation.

Real reasons and assumptions, are a starting point

It seems blatantly obvious, but apparently is not, that collecting the funds necessary to finance government should be “The” sole overriding FIT purpose. Attempts to modify behavior or solve social ills through FIT have not only failed, but very often have the opposite of the desired effect. Yet, we keep trying, insanely adding more complexity. The most often destructive outcomes are due to unintended consequences added into a giant convoluted FIT. When we attempt to go beyond procuring the funds necessary to run the government at a level decided by the electorate, the issues revolve around who defines what is needed and how the incentives and disincentives will work when implemented into the Tax Code? When assumptions of taxation go beyond revenue collection into behavioral modification and are added to the thousands upon thousands of existing FIT rules and policies; it is no wonder that muddled consequences which cannot be determined with any degree of accuracy will occur. The following objectives should be behind a FIT system with “The” assumption of collecting funds while being simplistically understandable by FIT payers. The objectives of and assumptions behind FIT need to become:

1. De-politicizing code to ensure that votes and favoritism cannot be bought.
2. Adding absolute certainty to paying and collecting taxes.
3. Simplifying compliance; the only variable criteria being the income or ‘revenue’ reported.
4. Eliminating most of the IRS. Keeping only enough staff to process collections. Have no IRS decisions on anything beyond, “did they report their income/revenue correctly?”

5. Being understandable by anyone who has a U.S. elementary education.
6. Being truthful in all aspects of who gets taxed and how: we all pay when one pays and making believe otherwise is dishonest at best.
7. Removing all FIT considerations from financial choices: individual or organizational.
8. Eliminating the need for hired intermediaries to calculate and change tax obligation.
9. Putting tax lobbyist out of business.
- 10.10 Abolishing the guilty until proven innocence assumptions behind current Tax Code and IRS operations.
11. Ending attempts at social engineering.
12. Ending using taxes for social justice.
13. Ending unintended consequences of changes.
14. Equalizing every tax payer by removing statuses and categories.
15. Eliminating all deductions.
16. Making personal income tax the most understandable and desirable in the world.
17. Making organizational FIT globally the most competitive: encourages all companies to come to American not leave it.
18. Equalizing absolutely all tax payments on all segments of income.
19. Differentiate only by income for individuals and gross revenue/receipts for organizations.

Remember, even clean air is nowhere near free. Shifting costs to others, for example “the rich,” or “Wall Street” burdens an economy largely by removing monies from more productive market uses. This shifting costs everyone in a society including the poorest among us through reduced economic grow and higher prices. Every person in America with any social security, retirement income, welfare benefits, investments and a job or not, should realize that their future payouts and current salaries “all” (even professors at private Universities) are tied to Wall Street and the economic wellbeing of our society. Reduce corporate profitability and you reduce your payouts now and in the future. In sum, multiplier effects can only be calculated by subtracting out results of alternative uses monies would have had if they not been removed from an economy in addition to the costs of redistributing procured funds via the FIT.

LITERATURE AND USEFULNESS

The more complex the system the more interdependencies that exists and the more difficult it is to calculate impacts to citizens and government. We see clearly that the American income tax system has gone way beyond the collection of monies for financing government. The current federal income tax (FIT) code attempts to deliver economic and social “justice” and stimulate the economy by encouraging or discouraging financially related behavior. When in reality FIT is a well packaged complex bundle of tax “benefits” to make voters believe they are getting something for nothing: a fool the citizens approach at best. These aims are chiefly met by providing different categorizes of incomes and filing statuses, shifting burdens to “others,” and “providing” exclusions and deductions. We cite no sources here since resulting difficulties of the current FIT are literally undisputable. As we will demonstrate as we go along, any laudable aims of the current FIT have been totally undermined by facts and convoluted unintended consequences.

Income tax can be used for legitimate expenses for services or goods necessary to running a government, such as the military, tax collectors, infrastructure and perhaps even the arts. Taxes can also be used for all forms of transfer payments (Creedy, 2009). One form is “workfare” in the form of earned income credits designed to incent and hopefully encourage lower income workers to work rather than attempt to live off more direct welfare payments.

America's largest transfer payment system, Social Security, is a standalone system that is somewhat of an actuarial system that takes in money while people work so that it can be paid back to them later in life or when they become no longer able to work. Unfortunately, Social Security is more of a Ponzi scheme made worse by excess funds being used in running the government and then being replaced by debt IOUs. For purposes of simplification Social Security as a specific topic is not being included in this research; and the earned income credit welfare system will be given only slight mention with no detailed solutions proposed.

As far as the differing categories and types of income and deduction, one does not have to look hard to see some of the ramifications of a tax policy designed to manipulate behavior. The housing crisis and banking crisis of the past few years shows clearly that unintended consequences are always hard at work to disrupt the best laid plans of monkeys and crooks (maybe this should be politicians?). Supporting these suppositions, Smiley and Keehn (1995) provide a great overview of the original intent of income tax and how that has gone crazy at best. The attempt to take a large portion of wealth from the superrich led to the need to address tax avoidance and the need to move beyond the top 2% to broaden the tax base. These attempts to trick the taxpayers began the follies of complexity in our FIT systems.

Listokin (2012) in his macroeconomic analysis of the effects of our current income tax system does an excellent job, though apparently unknown to him, of demonstrating the complexity of the interactions of an overblown code in a 50 page onslaught of economic mumbo speak. Listokin covers much of the impact of governments attempt to stimulate the economy via tax manipulation and the destabilizing as well as stabilizing aspects of FIT policy. No point is more well placed for use here than the discussion of deductions as "tax expenditures. . . Costing approximately \$1 trillion per year (p. 89). [These comments alone tell us how far we have come when we determine that allowing people to keep more of the money they have earned costs the government just as does any other expenditure.] Even as the federal government has attempted to stabilize the economy with fiscal stimulus, many of its longstanding tax policies have had precisely the opposite effect (p. 47). . . . [Perhaps this is due to the fact that] Legions of tax provisions have been carefully parsed (p. 48). . . . While no paper could canvas the entire Tax Code. . . . In many cases, the Tax Code's idiosyncrasies have a strongly destabilizing effect on the economy (p. 49). . . . Approximately \$1 trillion . . . is "spent" annually through the Tax Code to encourage activities such as homeownership, retirement savings, and charitable giving (50). . . . Tax expenditures account for approximately 7% of GDP. This figure is of comparable magnitude to the individual income tax, which collects approximately 8% of GDP (p. 84-85). . . . The impact of a tax cut or tax expenditure can reverberate through the economy (p. 51).

All of this is somewhat purposefully taken out of context, but the point the current authors are trying to make is that with an overly complex FIT system the impact of "tweaking" Tax Code to lead to a given behavior is foolishness exemplified. Short, intermediate and long term effects be they benefits or harm simply cannot be determined: "different provisions have different effects (p. 63)." These citations point to the artificiality of the Tax Code related to encouraging individual and business spending: income level determines spending be it on a home, charitable giving or new equipment —if "they" keep more "they" will spend more.

A countries and global economic growth is the best, and arguably the only sustainable, tool for lifting economies and expanding opportunities (Banerjee and Duflo, 2011and Colino, et al, 2014). Economically useful innovations expand economies and improve productivity; nothing else does! Those innovations are all paid for with dollars that are left over after basic needs are met; reduce the leftovers, and you hamper growth and innovation to some degree at some

point. And, as America continues to lead the world in creating billionaires, the income and wealth gaps will widen: is this a good thing or bad?

Relatedly, one problem being touted in the American press is the growing gap between the rich and poor in America: significantly the gap between the top 1% and poorest among us is the focus. The apparent attempt is to make people think that the rich get richer at the expense of the poor; nothing could be further from reality. To this point we see a very misleading story (nothing new here) about this gap from politicians and the press alike, for “a growing body of evidence suggests the economic expansion since the 2007-2009 financial crisis has enriched a much larger swath of the upper middle class, and that a deeper income divide is developing between the top quarter or so of the population and everyone else.” Upper middle class was defined as earning between \$100-350,000 for a family of three, at least double the U.S. median and about five times the poverty level. Much of the shift in the middle class was caused by people moving into these upper income levels not moving down. “The Pew Research Center last month found 203 metropolitan areas have seen their middle class shrink, but in 172 of those cities, the shrinkage was in part due to the growth in wealthier families. In 160 of the cities, the share of lower income families grew as well” (Zumbrun, 2016a: A2; also see Zumbrun, 2016b; Mitchell, 2016; and Ridley, 2016 for more proof of dishonest rhetoric about economics and taxation). More about this gap later.

Introductory Comments-tax laws are at the core of economic shifts

We start this research with a warning that should be supplied with all academia articles. News flash, we are biased, yes, it's true. All humans are biased and we are human regardless of what some of our students might say. We see social engineering in all aspects of life from the once nebulously fun Facebook to the now possible most culture leading tool in the world. We see news media that is no longer news but views keeping us in our 'rational ignorance' (Service and Loudon, 2015). So what?

As Gardner rightly proclaimed, “Competition is at the heart of American’s economic success. . . . there are already plenty of ways to promote job growth without robbing taxpayers. . . . Increasingly, major companies determine where to maintain, expand or relocate facilities based on how much money they can take from taxpayers’ pockets in the process (p. A17: 2016).” Only through total revamping of corporate income taxes can we take these chances for so-called taxpayer theft out of the hands of lawyers and accountant. As many Americans rightly proclaim, in many ways the moral compass of America has waned of late. And, when you think about the complexity and unfairness embedded in our FIT, there is little wonder that many fudge if not downright cheat on their income taxes, business and personal. We need to take those opportunities out of FIT and then be vigilant about enforcement and rule of law.

In free and open countries in order that the electorate understands trade-offs of governmental taxing and spending, all concerned citizens should demand a straight-forward approach to taxing and spending. Doing otherwise suggests citizens want to continue to elect leaders who can use an incomprehensibly complex tax code as cover for cunningly miss-identify taxing and spending priority links. A valid system that is useful and allows an electorate to decide on spending priorities must present alternatives in an honest and understandable fashion. All government spending removes monies from an economy and puts it into government which can forever use more money. When one program or person gets something it is taken from another, governments do not create wealth they take it. Governments like people have limited resources. American Federal Income Tax systems, for individuals and organizations, by any

reasonably objective standards of understandability and truth are unmitigated purposefully deceptive disasters: any other bad adjectives belong here as well (Service and Loudon, 2013).

A system that is honest and simple would feature a simple non-varying graduated tax on individual total income: basically what is called adjusted gross today, but with no changes at all to income because of source or anything period. The new system should be designed to be revenue neutral with no differences or considerations for categories of income, statuses, dependents, deductions or deviations in any form or fashion. A revenue neutral tax on revenue for organizations with nothing attached or different for any entity could meet any honesty test. The individual graduated tax can be put on a \$2 calculator even if we wanted to make 1,000 brackets: suggested estimated rates start at .5% and go to 33.5%. In a system like this everyone would pay the exact same percentage on each portion of their income with absolutely no differences for any reasons at all. And, a 1% 'business' revenue tax would be about revenue neutral for corporate income taxes collected today and would not vary for any reasons.

Continuing on that same stream of thought, in all free national elections, individual and corporate income tax reform proposals are part of any serious candidates' proclaimed stances. However, current proposals for revising national income taxes, as epitomized in America's 2016 campaigns, offer no tangible reform. Recommended changes for limiting the number of brackets, changing income classifications, changing rates on certain earners and differing types of income, and changing, adding or deleting deductions all bunk. All these changes merely add further complexity to the current unintelligible income tax codes. Across the globe, as exemplified in America, income taxes are solely "fool-the-electorate" approaches that use smoke and mirrors to hide the truth thus preventing payers from understanding costs and benefits (a few clear examples are shown in both Alexander references). Unintended or otherwise, toxic tax code has societally degrading ramifications, in part, because of the many and varied interactions between largely unpredictable humanistic behaviors and the complex system. Those tax codes disregard virtually all moral hazards and hide actual taxing and spending links. Such scams as "free college tuition" need to be identified as what they are. In this case it is not free, it is tax payer funded college tuition and the cost to each tax paying entity needs to be clearly and directly identified so the taxpayers can decide what they want to pay for through taxes. Truth and understandability in taxation and spending are the solutions. To reemphasize one simple point; when a politician tells you they are going simplify FIT by reducing the number of brackets, they are either not too bright or taking you for a fool: laugh them out of office!

The current FIT's contrived complexity manifests into harmful deception. Even indicators and behavioral modifiers are the object of tax policy and thus no longer have the intended impact when coupled with the unpredictable variability of human emotions and resulting actions. Changeable substitution effects override discouraging or encouraging actions attempted through tax policies in a manner that is way beyond cosmically convoluted. Each FIT modification is layered into an inconceivably complicated system causing fabrications that mirror ignorance and wishful thinking.

Investments are key to economic growth and when we attempt to control investment by central planning or taxation, failure results. In GDP investments have multiple and lasting effects whereas government spending and consumption spending are recycling at best (Heilbroner and Thurow, 1998). Likewise, the uncertainty and risk of central market control via tax interventions are imperfectly inefficient with even signals being impossible to determine. Lack of stability and certainty are the demise of investments and consequential economic growth (Hewett, 2016): current FIT is a main retardant. Only investments lead to

productive innovations. Failure to innovate keeps economies stagnant and causes organizational and individual failures. Political leaders who are unwilling to explain the realities of taxes and taxation and the impact on society, keep citizens in a dangerous zone of misunderstanding that simply cannot work over the long term

Are taxes, deficits and debt beyond repair? Maybe. With the key being, will voting citizens continue to allow our elected leaders to mislead us first and foremost through a mirror of lies called federal income tax? The U.S. economy has a rare fatal disease; and we are arguing over telling the truth or lies, simple understandability or deceptive complexity? FIT change outcomes cannot be predicted with even a smidgen of a chance of working as intended until FIT is understandable to the voters. Don't believe this ranting tirade? Read the FIT code!

In economic terms, problems with FIT are structural to the core with consistently cyclical problems that are intended and unintended, predictable and unpredictable. U.S. FIT, in no uncertain terms, revolves around embedded obfuscations design in, and further promoted by periodic unpredictably useless politically motivated contradictory and confusing adjustments. If there are not enough adjectives here to define the depth of the complex deception of FIT, add your own, for you cannot overstate this absurdity with any amount of ridiculous verbosity.

Relatedly, in addition to individual income tax, corporate inversions and proposals for new corporate tax systems and rules in America and the EU remain at the forefront of the news and politics. And, everything just said about individual FIT applies at least doubly to corporate FIT. Yet, again no real reform is being forwarded in the corporate tax arena. In a recent Wall Street Journal editorial, we see the politics and absurdity of the current tax system and how it can be manipulated. "Treasury is also planning to empower Internal Revenue Service auditors to declare instrument as part debt and part equity, adding more complexity and fear to an already complicated process. To top it off, the rules come with new record-keeping requirements. . . . Mr. Lew and the entire Obama Administration seem to be doing their best to punish as much of the economy as possible as they head for the exits ("Treasury Inversion Scythe," 2016: A12)." All concerned citizens need to take these possibilities away; our system allows these speculations.

In these cases all that is being considered is how to trick consumers into thinking the taxers are bleeding the greedy organizations; not that they are raising costs of goods and services to consumers. An early 2016 scam was being offered to tax each barrel of oil \$10, but let the oil companies pay for it. Really, are the electorate that uninformed and ignorant? Sure, the oil companies can just take this out of their profit per barrel just like they do when their prices rise for all other reasons. Year in and year out, big oil has margins of 7 to 9% almost regardless of the cost of oil per barrel. These margins would hold if you subtract out all oil company employees who make more than Congress members (we challenge the reader to understand corporate costs, profits and related prices).

These accurate proclamations reveal that those that "can" vote must stop enabling these massively complex frauds called income taxes. Nothing related to income tax code in America is for the good of the taxpayer; those purposefully complex codes are overwhelmingly designed to confuse and hide the fact that they are designed simply to buy votes and enrich politicians who are purchased by special interests.

The negativity and harm caused by the complexity and untruth of the "makes a fool-of-us all" income tax system in America cannot be overstated no matter how hard anyone tries. Yes, as

noted above, truth and understandability are the only solutions. Furthermore, simplification to a very significant level is required for understandability.

Will anyone listen, does anyone care; will enough of us work to understand the implications; will a critical mass of us demand change? It is to be doubted, but we had better wake-up if we value the American dream of a better life for those that will work for it. We have a great income tax plan and there are many others that could do the job!

It is abundantly clear to anyone that will take the time to analyze American FIT that all of its current proposals manifest themselves toward directing behavior and guiding a society further into dependency as well as allowing politicians to buy votes and lobbyist to make themselves and their political coconspirators rich. Actions always speak louder than words and regardless of what the stated purposes of FIT in American have been, one is simply left to say: the results speak so loudly that one cannot hear the stated and even often laudatory purposes. If you doubt any of this start by checking out the net worth of anyone who has remained in the American Congress for any period of time and ask if others get as rich as they do on similar salaries? Then check on how much is spent by organizational and personal lobbyist to get so-called tax breaks: see which U.S. counties are the richest. Rich companies and individuals know how much their money will buy and poor people know how to value their votes: none of these people are fools.

Years of findings and theorizing related to the study of complex systems shows clearly that understanding the parts of a vast and complex system does not assure understanding of how the systems will normally react. This is because the most complicated part of understand any system is grasping the many interactions with other systems. In the current topic of federal income tax in America we see millions of individually easy to understand codes and guidelines interacting with basic economic theory, and the way human actions respond to those tax codes and the many instructions that guide users (Miller, et al, 2015; Senge, 1990; and Von Bertalanffy, 1968).

Real Impact of Itemized Deductions and Personal Exemptions

We could write a book on this, but it is clear that people do not get the impact they think they do related to itemized deduction nor does it seem appropriate to jack taxes up so that one can write off a deduction because they exist. This approach reminds us of the stupidity of buying a product that is valued at \$90 for \$19.95, plus you get one free. Yet, you continuously see merchants using paid advertising to push their wares and giving you that one "absolutely free." Ask only for your free one! How can a thoughtful person buy that? Just like we buy the fake of getting a deductions of an average 12 cents for spending a dollar (average effective rate on AGI is less than 12%).

When a family files a return and itemizes deduction, most do not realize that they would get a \$12,600 deduction if they did not itemize deductions, and when you couple this fact with the effective rate we see on average tax payers save a little less than 12 cents for each dollar spent say on home interest. When you see a current joint return with an AGI of \$75,000 a year and that itemized \$25,000 they get a net benefit of 14% of the \$25,000 and they would have gotten \$12,600 benefit if they had zero deduction. So they saved less than \$1,750 by spending \$25,000; not a great reason to dump money into interest as so many say, "I bought a home so I could get a deduction:" not too bright. And, if we want to encourage home ownership we have to ask why? Has that form of social engineering worked as expected? Moreover, on a related deduction, if we realized the cost of having a child versus what you save on taxes, economically no one would have children!

The Revenue Goal and Understandability

In light of the need to use taxes only to generate revenue, the worthy mutual assumptions of any new FIT can be described through a simple analogy. In the 1500s Martin Luther rightly proclaimed that the Bible should be in a language normal people could read and understand. And, further, he justly declared that the code the Bible professed should not require a hired intermediary to interpret and plead the case to the code giver that an individual was complying. American FIT perfectly “fits” the profile of the Bible before Martin Luther nailed his professions to the door of the powers that were benefitting in keeping the masses ignorant and at the mercy of those profiting through selfishly purposeful complexities (Broom and Service, 2014).

A General Guide: Toward an Answer

Few among us would fail to admit that the trial and error experimentations allowed by free markets are the most efficient and effective way for the best delivery of cost effective goods and services ever devised (Allison, (2013). The only real problem with this free market selection is that it rewards those that are most effective and efficient and punishes non-value adding entities. Other systems work well to reward non-value adding individuals and organizations.

Extrapolating these thoughts, we need to make more open taxation that is understandable; a FIT that does not cloud innovative product experimentations at a minimal of cost with no complicating connections relating to cost shifting or benefit associations (taxing-deductions/incentives). That cannot be done when the system is simply not understandable and not an honest representation of costs and benefits. Let us apply this to FIT.

A simple graduated tax designed to be near revenue neutral could collect the same as today’s complex mess from all tax payers. Actually, it could be a good idea to add a slight increase in tax rates order to raise additional revenue and work toward debt and deficit reductions (do NOT increase for more spending). Regardless, with new tax codes the average person’s tax bill can be set to remain essentially as it has been over the last few (we would suggest five years on average). This new way of determining FIT could be done by calculating averages using past effective tax rates per AGI for individuals with no considerations for categories, deductions or deviations in any form or fashion; and a tax on revenue for organizations with nothing attached or different for any entity could become the standard.

A note here to keep in mind that since AGI and tax data are per return versus per SSN, lower income individuals will actually receive a tax break because of the lower rates we are proposing per SSN. As a simple example think of a joint return with an AGI of some \$75,000 (a somewhat upper end middle income). In that case, the family would be paying today on average 8% of the \$75,000 where under our proposal they would be paying variable rates: i.e. if one made \$25K and the other made \$50K, we would have rates of 3.2% and 8% respective (See Figure 1 and note our recommendations will make it more equal to today’s total tax burden. The recommendations given in Figure 1 will provide a tax reduction for families at lower levels of income, and as income increases, the tax burden will be less effected with upper levels actually paying a bit more tax: this scenario is politically the most popular—whether right or wrong. And, lastly, because of the taxing by SSN, more families will see the advantage of more people in the family working.

For those enamored with the “rich” paying their fair share, the fact is that itemized deductions help the upper income tax payers the most should be a huge consideration: "House

Republicans point to data showing that upper-income taxpayers benefit much more per capita from tax breaks than lower earners, so reducing breaks across the board would maintain a progressive system (McKinnon, 2012: p. A2)." Again note that benefits of joint returns being replaced by per SSN returns are skewed toward lower income individuals. In other words, our proposal will be significantly better for the lower income groups and marginally higher for the upper income groups. However, top income groups put the most money and time into taxes; many would gladly pay a bit more to eliminate the need to consider the impact of taxes on their decisions and to pay zero for tax advice and calculations.

A close examination under common sense and economic principles will show that the upper income increases in FIT can be made up for by ease of compliance with zero cost for a third party and freedom to consider all investments and various expenses without any mitigating convoluted tax considerations. Moreover, our individual FIT system suggestions make it equal for all tax payers with no penalty or reward for being married or single; and will reduce the tax burdens for medium level earners and increase it a bit for those at the very top, the '1%ers.' Savings on "paid" tax advice, record keeping, filing time and impact of taxes in financial decisions, when added to the intellect, talent and time of those currently involved in essential transferring and shifting income versus building value over time, would have a lasting effect on increased standards of living. For indeed, innovations in the end are the only thing that truly lifts all boats in an economy (Baumohl, 2005 and McCloskey, 2016; and (Zander and Zander, 2000). Only excess monies kept can be invested in productivity, product and service enhancements. People eat and live first before investing.

The individual tax would be in a table where everyone with any income simply entered their AGI (again reshaped slightly to make the new AGI all income and gains period) and then the tax is looked-up: no need to use any other criteria than total income. This graduated tax offers zero complexity since it all will be in a table or in \$2 calculator regardless the number of brackets. In a system like this everyone would pay the exact same percentage on each portion of their income with absolutely no differences for any reasons at all.

For corporations, a "revenue" income tax would be only have to be about right at 1% of revenue for every single organization that files a return today. Or we could, we say should, extend this and put in an all organizations tax of less than 1% of revenue. We ask, are the complexities and decisions of tax exemption for certain organizations truthful and worth the cost of differentiation? Do not all organizations benefit from our federal government spending for the military, social services, roads, national parks and so on? This is simply not a separation of church and state issue, but a matter of fairness and paying one's share that is so loudly applauded in the press.

With this level of simplicity and understandability people could vote on whether or not they want to pay for something. For example if we want to make college education paid by the government (falsely labeled "free" by a 2016 American presidential candidate) it could be determined that that would cost all taxpayers say 2% (or whatever it ends up being) and maybe another .1% for organizations (note that percentages here are only examples with no justification). Then people could vote to add that 2% equivalency to the organizational and individual FIT proportionally as they wished. In this case voters (as funders) could evaluate clearly that if a program added a .1% tax to organizations they would be paying .1% more for goods and services and/or the direct part added to individual FIT. These costs would mirror true cost and not hide who pays what and how as is done today. And, if we ever think we need to do some social engineering just think how time and again we have seen the unintended consequences of trying to shift and hide true costs. And, that encompassing truism, 'that when

we spend anything anywhere, there is a trade-off that came from somewhere and can't be spent elsewhere.' A pure fact that creeps into all taxes and spending: never be fooled or fool yourself by believing anything else in this area!

Let us now proceed to do some logic development before we totally define a tax system that would stimulate growth beyond belief and could make clear the costs and trade-offs of all current and proposed national governmental programs.

BACKGROUND

CEOs worldwide report that they are increasingly disturbed by tax costs and the heavy burden of tax compliance. Corporate inversions, which are growing at an alarming rate, show corporations are racing to get to a better taxing climate. Along those same lines we witness the problems with the complexity of individual income taxes and the abundance of unintended consequences playing out because of attempts to manipulate behavior of individuals and organizations. Encouraging home ownership through taxes certainly had consequences!

We show a better way forward here and do it while 1) directing better thinking, 2) identifying normal biases, 3) showing how to better research an issue and 4) showing fallacies of attempts to manipulate behavior through income taxation.

One thing is certain, people respond to incentives, but (a big time “but”) people mostly respond differently than we expect them too. What is rewarded gets attention, but people learn how to game systems and results simply never remain as predicted. Yes, the results of those attempts to direct behavior have to be predicted. The consequences of even the best laid plans to steer behavior are at best probabilistic and not deterministic; and even when a tax incentive works totally as predicted, outcomes do not remain stable over time. News flash, people learn, adapt, adjust and manipulate to their advantage—we have always done this with our own FITs. And, in the current FIT when you attempt to encourage or discourage some economic action, you have a multiplicative effect with thousands of combinations and permutations: impossible to predict.

Getting to the “Real” Issues, Not Simply Presenting Complaints

All too often we solve symptoms not underlying issues especially when adding to our already overly complex FIT. At some point we have seen clearly that all systems need to be redone not patched. We always need to identify the real problems and eliminate excuses for inaction. Act and change, for when we do anything to change something we can see what might work or not and then we can adjust accordingly. When and how are we going to debunk these excuses, clarify our thinking, be more innovative and improve majorly convoluted and outdated systems such as taxes and taxation?

Start by addressing the prime questions for any proposed rule, regulation, law, policy, action, change, addition or deletion (innovation) related to the key issues of the day for you and your organization. And then, admit you have confirmation biases and preferred alternatives. Then realize that if you get the questions wrong, you do more harm than good in-part because you stop looking for the real issues. Address the correct questions and then the answers matter. Here is our list of overriding questions that need addressing and answering regardless of what you are trying to accomplish or solve modified toward FIT in particular:

1. Who are the constituents and how does the change affect each one?
2. Will this make it easier to establish or expand business, hire more people, improve profits, make more customers, improve finances, and so on?
3. Does this make it easier to follow the new or different policy/law/rule? And, harder to cheat on the new policy/law/rule?
4. Will this make the new or different more truthful and easier to understand; includes ability to determine impact of other items on the new or different?
5. What are the likely and unlikely unintended consequences?
6. What are alternative motivations to behave differently than anticipated?
7. How will this reduce the national/more local, personal or organizational deficit and debt?
8. How will this help move people and organizations to independence; or create opportunities?
9. Will this produce more stability locally, regionally, countrywide or worldwide (Hubbard and Kane, 2013 show what real economic balance entails)?
10. Will the change make individuals or organizations more innovative?
11. Will this help individuals, companies, organizations or governments reach more of their potential?
12. What is the risk/reward relationship?
13. Will it provide superior value and be rare with few or no substitutes available?
14. How feared is the chosen alternative?
15. How deeply embedded is the current way of doing "it"?
16. Will the solution build or replace relationships?
17. How easy is it to back out of the solution? Do you have a plan B, C, etc.?
18. Is the information you are following solid or made up?
19. Were all identified choices considered or at least addressed?
20. Will more time/resources allow for more or better information or waste time?
21. Are we addressing the issue in the simplest manner, but not overly simple to the point that it is meaningless?

Do a cost benefit analysis for all proposed FIT changes. "The goal was simply: to create a cost-benefit analysis for each policy and to rank them by their likely effectiveness. For every dollar spent, how much good would be done in the world (Ridley, 2014)?" Continuously rethink about trade off costs. 'It' can be monetary units, time, attention, focus or anything of value. When money is taken out of an economy for taxes there is a trade-off and on the other side, when tax receipts are reduced there is a cost to government often as borrowing costs. Corbett and Fikkert's (2012) *When Helping Hurts*, shows clearly that enough money has been spent in many parts of the world to affect peoples' lives, but desired change has not followed: tax money is not any more effective than charity funds in equalizing income over time. The same rules that apply to profit making businesses should apply to the so-called non-profits and all forms of taxation for effectiveness is all that matters in the end. If you innovate taxes or other items, and if it is not effective, you have just wasted resources.

Do you see how these questions should be applied to developing a new FIT system? At this point we should be thinking more clearly, using more of our innate and learned creative abilities to more effectively change through innovation.

Next let us briefly go over some of the more normal biases we all have in order that we clarify our questions and our resulting answers in the most objective way possible. Remember, human's exhibit behavior that shows we are most often confident when we have little to no

knowledge: ignorance more often breeds confidence than doe's knowledge. And, those that think they are least biased are generally the most biased: know and admit your normal biases.

Fairness? Understanding Thinking Biases as a Base

Here we are in a quandary trying to discuss a topic that everyone brings up when discussing income tax worldwide and in America especially so close behind such a contentiously contested close national election. That is the issue of fairness. Fairness is a term that is relative. But, we all believe in our hearts we know what fairness entails. However, that is at best an illusion. Humans are simply incapable of looking at issues that affect us and those we care about from a totally objective view. Humans see their perceptions as realities, as the old saying goes, 'we do not describe the world we see, we see the world we describe.' Reality is unknowable by humans with a term like 'fairness.'

As stated here and elsewhere, our proposals will offer tax rates that are a bit lower at lower income levels and higher at higher levels of income. A quick review of our Tables shows exact percentages of effective rates per AGI for average incomes of \$50 and \$200K with differences starting to edge upward \$500K and the largest increases occurring for those with incomes over \$10 million (from 20% to 32%). One point key here, is that the double taxation angle for dividends and capital gains means less under our recommended business tax change to an all organizations revenue tax percentage of less than 1%.

Note that the ability to shift income afforded by taxing each SSN separately, gives 'breaks' for those that filed joint tax statements currently. With the largest 'tax break' being for those at the lowest levels of income. For those with incomes above \$500K a much smaller benefit can be gained by deciding how to divide incomes. With these 'fairness' thoughts in mind, let us briefly review how we can clear our thinking and thus understand what a degree of more objective 'fairness' might require.

As noted earlier, we all have cognitive biases that frame our thinking preferences (mental predispositions). We feel that understanding these normal biases is a good base to better understanding the illusiveness of 'fairness.' Our FIT proposal continues and expands the progressiveness of income taxes as just detailed. In all cases the biases of citizens and political leaders alike, pertain to determining what 'fairness' entails with tax and taxation. Part of this is because we cannot or do not consider the implications of taxes at the same level that we consider other earnings and expenses that we or our companies encounter. Moreover, we have an even harder time seeing the average or overall impact of FIT without considering our specific circumstances and resulting taxes. Start by admitting that thinking biases are facts and they are not necessarily good or bad, fair or unfair, they just are; but we all have them. Our biases influence all our considerations for arguments, form the base for all frames of reference and mental models, and all too often these cognitive biases are unknown to predisposed humans (or at least not considered overtly). These lens on human thought guide all views of others and cultures, judgments and actions assisting we humans in determining and justifying our place in the world. When unconsidered or not known to us, our cognitive biases keep us in our incomplete known and unknown unaware ignorance (Bate and Child, 1987; and Service and Carson, 2010b). These intellectual partialities, guided interpretations, or mathematical weaknesses can keep us from defining anything accurately. And, of course incomplete or wrong definitions stop us from innovating and creating appropriately new and different products, organizations, selves, or approaches (Isaacson, 2007 and 2014). We favor what positively affects us individually—change and seek the greater overall good and it will

advantage you through benefiting the society where you must make a living through a hopefully happy life of contribution.

Chopra and Mlodinow (2011), Dobelli (2013), Dorner (1993), Drucker (1980,1985a and b), Grudem and Asmus (2013), Guilford (1986), Landsburg (1993) and Sternberg (2003) all provide beginnings to defining supersets of cognitive biases outlined within this manuscript.

Self-justification combined with confirmation and attribution biases rule our lives; recall anew that correlation is not causation. A key human talent is assessing a lot of information in such a way that our prior conclusions can be reaffirmed. Our 'justifying' conformational attributions lead the successful among us to the 'how I did it' arrogance. Most of us accept these first- and second-hand stories as models to follow (see Gladwell, 2008, for the real story of success). However, all stories or accounts (this manuscript is no exception) are accounts of some selected facts designed to stress some preferred points: stories exist on a spectrum of degrees of factuality and completeness. "Success accounts" are made in the light of the narrative fallacy, 20-20 hindsight, superficial knowledge, liking prejudices, self-actualization, fulfillment and expertise biases, with plenty of room for attributing success to natural brilliance (I did it) or lucky ignorance (you did it). Under and over confidence and superficial knowledge are hallmarks of these types of success stories. Political ads along with what you read about FIT and FIT suggested changes, are stories. And, all of this manuscripts about fairness, addressing the proper questions, understanding and controlling personal biases and thinking clearly applies a 110% to FIT related stories, your, theirs or ours!

A close review of the "economist" based work of Levitt and Dubner's *Freakonomics* works, Gladwell's well-researched books (all dates) on thinking and success, human nature books by Hall and Brooks, or Sternberg's work on success intelligence, all will result (more often than not), in a conclusion that after-the-fact descriptions of how individuals became billionaires, professional athletes or otherwise rich and famous, mean little or nothing to the rest of us (Service and White, 2012). In our experience, these stories are for the most part harmful. Avoid these and other expert biases by remembering that all too often experts know little outside of their expertise and favor what they know: asks what does the advice giver have to gain? Our economist friends looked at the U.S 2016 presidential elections with glasses of the unrealistic assumptions of economic theory, our behaviorist friends looked at it through their Ph.D. professors' eyes, our psychologist friends—you get the picture. Professors and those with Ph.D's are not normal and have their thinking clouded by many years of deep study in extraordinarily small areas of theoretical knowledge. These thoughts when combined with normal biases, make us sure of why we all see FIT so differently: know your biases well. FIT failures and successes are simply not totally unbiasedly describable.

Shifting gears a bit, note that innovation, doing something new or different, is the only way to lift all into improved lives with greater productivity in order to build a framework for a better world (Drucker, Freidman; Gladwell; and Peters all dates). "Innovation is often the act of taking something that worked over there and using it over here (Handley, 2014:p. 135)." FIT innovation requires open minded clear thinking which understands and uses our biases as merely our perceptions, especially about a term as elusively abstract as 'fairness.'

Other biases give a false sense of the probability of success, which is often due to purported common wisdom, close at hand biases, and/or the illusion of control over random events. An overabundance of choice leads us to fall back on favored solutions, which guide us to misunderstanding real probabilities. Most reading this article have nearly unlimited choice; a fact that does not fit billions of others. Coincidences are extremely rare and what helped

“them” may or may not help “you.” Recognize wishful thinking, for “should be” is seldom equal to “is” (Broom and Service, 2014; and Service and Carson, 2010a).

We live in a world where unbounded mathematical ignorance is accepted and this does not bode well for FIT change alternatives. We see statistics misused more often than not (Kerlinger, 1986). In almost every case where statistics are used to present a case for a political situation or ad, we see that a case can be made for both sides of an issue. Mathematical trends shows that all things tend to return to the average over time; there is no balancing effect to independent events; exponential growth is confounding and hard to understand; false comparison figure/number biases are the rule; and small numbers or single examples might not indicate much of anything useful. This could go on, but the point is a lack of clarity with inadequate math skills are all too often an excuse to defining the wrong issue, or defining the right issue wrongly.

Our overly informed, media-genic-connected world clouds our thinking with too much information about outliers among us, those non-standard individuals that make spectacular headlines but do not capture the majority. At best, it creates a feeling of knowing when in fact ignorance abounds about any major issue: no one (that is correct), no one has a handle on the entirety of the U.S. FIT code. And, fairness of our FIT code simply cannot be assessed under the existing smoky deceptions of the millions of complexly confusing words.

We, who are supposed experts in our fields, know how little we know about what we know the most about. Academic research in management, leadership, strategy and even economics is not very productive and is like seeing through a glass door (Mintzberg, 2004 and 2009; and Sternberg, 1996)! Much of what we think we know is wrong and all is based (and always incomplete) toward each individual’s slant on reality. We select the facts we want and use them as we see fit to prove ourselves correct (Corbin and Strauss, 2008). The current authors must admit, we know only one fact for sure: we might be wrong. But on FIT . . .

Humans prefer answers that suit us best: with FIT this is unusually destructive, because its complexity insures that we cannot with any degree of certainty determine what suits us! Humans have an illusion that we are good forecasters and we select the alternative with the least conditions or circumstances that fit our preconceived biased notions; exemplified in FIT’s misplaced social engineering. Groupthink, distorted views of history, perceived associations, preferring status quo, preferring the new over the old, beginner’s luck and association biases are among many other thinking errors abounding in society and further clouding FIT changes. Even the vaulted “experience” variable seems to damage judgment as often as it improve its (Rumsfeld, 2013). Everyone reinterprets what happened retrospectively (Blair, 2010; Bush, 2010; Obama, 2004 and 2006; and Reagan, 1990-of these only Blair admits possible mistakes), results of recent FIT changes model this rearview mirror analogy.

History, culture, psychology, sociology, economics and human nature say that people always respond to the incentives (Landsburg, 1993); and seldom if ever to the intentions behind the incentives. FIT change fabricators have not yet learned this. Most of us use-false-logic anchors, assuming that if it has worked in the past it will succeed again. Never forget that expectations may or may not be realistic. People believe their own soul-searching, and most of us use (or hear) nonsensical blather to disguise ignorance.

When looking for and defining real issues, do not overlook the simple or the complex knowledge just because it is complex or simple. Few of us accept anything that does not

corresponds to our beliefs and self-image as we filter out everything else: our individual views of fairness naturally distort thinking. Humans like creating dichotomies, simplifying to black and white those things that are nearly always gray. Choose your comparison 'others' carefully, realizing we love primacy and recent developments. Then, all have that "not my idea" bias. Book smarts don't transfer to street smarts easily, and we also know the opposite is no less true. Think about what you read or learn and ask 'how can I use this or that insight or theory.'

Avoid unfounded fear or regret, procrastination, junk envy, managing the "you" product. Watch cherry picking (always going with the easiest solutions); avoid the illusions of unfounded knowledge, skills and abilities, and excuses of bad luck. Circumvent over or under thinking issues and answers (Gladwell, 2005; and Hall, 2011). Grasp that we may see a single cause behind any complex issue; but generally there is no easy "one size fits all" response. Conspicuous, significant, main and prominent (possibly relevant or not) information or actions have more influence on us. And, of course if we are not sure of the stakes, we need to start by thinking they are high. Almost too much to consider, but try none the less if 'fairness' beyond individual perceptions is the goal.

Among our favorite 'truisms' are 'understanding beats categorization,' and 'all generalizations are wrong, including this one' (Rumsfeld, 2013). Yes, we all lie to ourselves more than anybody else, especially about fairness (think about how you change your mind when something affects 'you.' Brooks, 2011-study of human consciousness). Changing one's default settings can change behavior. By thinking to learn we learn to think, so think but act, using all new or old insights and slogans with wisdom (Service, 2006). Better and clearer thinking leads to better results in life and innovations that move a society forward (Albrecht, 2003; and Broom and Service, 2014). As noted previously, our current FIT has led citizens to the false assessment of what is in it for me and how that is fair: very short term and narrow views permeate FIT recommendations.

Use the tools and guidelines we have presented for thinking clearly, utilizing more of your innate abilities, and improving your learned competencies in order to effect change through innovation. Clear up your thinking about fairness as much as possible when you are considering 'your' income tax burden versus that of fellow citizens. To a degree we can all agree that those at the upper end of incomes do get more benefits from infrastructure, military protection and the judicial systems in America and so perhaps should pay a bit more percentage wise than those at lower levels. Regardless, there are NO (zero) magic bullets or pills, no single or even simple secret answers to fairness, equality and just rewards (Aczel, 1999; Tyson, 2007; and Von Bertalanffy, 1968). Only balanced hard work and discipline are behind your becoming an effective leader for innovation: a leader who can fit the leaders, followers, and environments facing them in order to stand out as an effective leader who has honor and lasting respect (Abernathy and Utterback, 1988 and Service and Arnott, 2006). Become a proponent leader who can look at issues as personal as FIT and make a relatively unbiased, fair if you would, proposals on revamping a mess called income tax.

Under the questions, and fair and unfair biases identified above, let us now look more directly, openly and clearly at U.S. FIT.

INCOME TAX

Many worry that recent events in Greece and other European Countries may foretell the U.S.'s future (Richards, 2014—provocative 'practical' non-academic book; Lahart, 2015; and Stephens, 2015). The United States Government's deficits and debt appear, to a growing number, to be unsustainable in part because there are no plans to reduce the debt. Keep in

mind that totally eliminating annual budget deficits does nothing to reduce the debt. Additionally, note that in 2015 interest on the debt was about five times the cost of Home Land Security or 27% of the Defense Budget growing (see "irs 1040 Form," 2015: p. 101; and Katz, 2016). Defense spending is slated to shrink significantly, yet the interest on the accumulated debt continues to grow.

Annual deficits of half a trillion dollars loom for America as far as the eye can see. And, most estimates by the CBO indicate that within about 10 years all of the discretionary spending at the federal level will have to be funded by borrowing. Yes, we will have to borrow the cost of national defense, education, home land security and more. None of this mentions the \$100 trillion dollars of unfunded federal liabilities (see and study annual CBO reports—the best non-partisan analysis you can find). This unfunded amount needs to be contemplated in light of the fact that organizations such as our University simply are not allowed under law to not fund at a significant level their own pension plans. Funding our greatly reduced pensions currently cost our University 16-20% of its budget with revenue and expenses being approximately equal at about \$150 million most years. Many organizations are having to put 10-20% of their total budget into a retirement system. In other words, the federal government does not do what it demands other organizations are compelled by law to do. Some of the numbers and suppositions included in this paragraph can be under some slight level of dispute. But, all reputable sources point to the numbers and suppositions here. If you doubt this last statement do your own research or accept what we say.

Compounding these numbers and difficulties is an educational gap in America as just described where few seem to care to understand governmental finances at a level necessary for self-governance (Shinn, 2011 points to practical "understanding" gaps in the MBA). Along the lines of minding this critical gap, Friedman and Mandelbaum (2011) devote much of their book on solving the major issues of globalization and hyper-competition to changing the current educational system in America. They stress again and again that we cannot continue with a system based on lectures and memorization. Friedman (all dates and beyond) harps on the fact that we must shift our higher education systems to require innovative thinking and creativity if America is to remain competitive. As they say: "[We] have a new structural challenge in the labor market that can only be addressed by more education and more innovation (p. 74)." They say current employers are "looking for workers who can think critically, who can tackle non-routine complex tasks, and who can work collaboratively. . . . they also now expect all the workers they hire to think for themselves (81)." This type of thinking requires a "completely open mind. . . . and then the ability to learn constantly and challenge the status quo (p. 84)." For as they rightly point out, "The best predictor of the future is not necessarily just how someone has performed in the past. . . . It's also how much the person has adapted, created, and innovated (p. 87)." We challenge students (and professors) to begin to challenge themselves to open their minds. Get into thinking innovatively, "We want every employee to be present in the room. . . . Now you have to have people who can think and interact and collaborate (Friedman and Mandelbaum, 2011:p. 93)." Require the focused engaged presence of all in your classrooms or businesses (Broom, et al, 2014; and Service and Guess, 2015). And, do it yourself related to FIT if you care about the future of America.

Specifically, Sharma (2016) shows that democracies work, but always through continuous change. Distinguished economist and historian, Deirdre McCloskey (2016) identifies the key separator for wealth and prosperity of nations as ideas and the moral vision that work, innovation, happiness, prosperity, equality dignity, liberty and prudent enterprise were to be valued. The works of Adam Smith and Benjamin Franklin were often cited by McCloskey as old

exemplars of the new value of taking as esteemed work improvement and innovation. Further, the idea that leaving markets free to do their work in empowering people to improve was achievable and desirable was made exceedingly clear. McCloskey makes it crystal clear that most government institutions make us poorer. Our tax proposal here would bode well for the U.S. economy under McCloskey's pronouncements. It is so way past time to innovate in the area of U.S. federal income tax.

Using the area of governmental finance as an example of interactive learning, in order to mind the gap, we must shift our attention to teaching governmental finance topics so that university graduates comprehend where the U.S. stands with deficits and debt. U.S. deficits and debt are in the trillions of dollars. And, trillions are not numbers we can easily grasp. Let's begin our re-education by shifting to self-directed understanding and responsibility (Hunger and Wheelen, 2011; Service, 2006 and 2009a and b; Service and Loudon, 2015; and Service, Reburn and Loudon, 2012). If we are to innovate and make government inlays and outputs more understandable we must look to change our FIT to be reflective of actuality, not a way to hide cost and expenses to buy votes.

Individual income tax and related spending, revenue and debt

Federal revenues come from: individual income taxes, social insurance (called payroll taxes) taxes, corporate income taxes, excise taxes, estate and gift taxes, earnings of the Fed, customs duties and miscellaneous fees and fines. Borrowing is debt and not considered revenue, so that is a topic to be addressed later. Historically, over the past 40 years, on average individual income tax makes up 45% of the total federal revenue and represent 8% of the Gross Domestic Product (GDP). The next largest revenue generator is social insurance, mainly for Social Security and Medicare insurance which makes up 34% of the total revenue and 6% of the GDP. Corporate income taxes have contributed roughly 10 percent of the total revenues and represent 2% of GDP. These numbers were taken from "The Budget and Economic Outlook: Fiscal Years 2012 to 2022" a report from Congress of the United States Congressional Budget Office (CBO-report January 2012: p. 81). CBO historical numbers are generally accurate and based on data most would consider highly reliable. However, it is important to understand that CBO projections must use assumptions and they have proven to be wrong often by factors of 10. As with any projections the accuracy decreases over time: think about weather forecasts! Additionally, page 101 of the 2015 1040 income tax instructions booklet supports the CBO numbers and also provides pie charts for income (revenue) and outlays (expenses-payments). Study these pie chart pages of the 1040 instructions booklet every year.

To insure taxes collected are roughly equal to today's collects, and to understand basis economic taxation data, also see "Income Tax Collections Data (2016)" that show personal income tax collected in 2015 was \$1,504.8 trillion and organizational income taxes collected were .3438 trillion from a GDP of \$18,558 trillion ("GDP Statistics Data," 2016). Now look Figure 1 to develop an understanding of income taxes and who pays them.

Figure 1: Individual Income Tax numbers

AGI # 1,000K	AGI Amt. in Millions \$ & /% of whole	#returns K & /%	Average \$\$ in AGI brackets	New %s For Bracket on AGI	New % AGI on Average Income	New top of bracket cumulative on AGI	Old %=@ AGI	%=@ taxable income	Tz	%= @AIG no EIC
All	8,374,218/100%	145.4M/100%					12.5%	18.9%		
\$1<5K	27,520/<.03%	10,693/7.4%	\$2,574	.5%	.5%	.5%	.17%	9.8%		
\$5<10K	94,271/1.1%	12,387/8.5%	\$7,621	.5%	.5%	.5%	.45%	10%		
\$10-15K	161,448/1.9%	12,926/8.9%	\$12,490	3.5%	1.1%	1.5%	1.1%	7.8%		
\$15-20K	206,970/2.5%	11,880/8.2%	\$17,422	3.75%	1.8%	2.1%	1.8%	8%		
\$20-30K	475,649/5.7%	19,199/13%	\$24,775	8%	3.2%	4.04%	3.2%	8.5%		
\$30-40K	505,069/6%	14,520/9.9%	\$34,784	10.5%	4.9%	5.66%	4.9%	9.6%		
\$40-50K	491,714/5.9%	10,984/7.6%	44,766	11%	6.2%	6.73%	6.2%	10.7%		
\$50-75K	1,165,812/13.9%	18,949/13.4%	61,524	13.5%	8%	9%	8%	12.4%		
\$75-100K	1,031,611/12.3% Total of 49.3%	11,926/8.2% Total of 87%	86,501	14%	9.7%	10.25%	9.3%	13.5%		
\$100-200K	1,977,406/23.6% Total of 72.9%	14,756/10.2% Total of 97.3%	134,007	20%	12.7%	15%	12.7%	17%		
\$200-250K	376,744/4.5%	1,697/1.2%	222,006	30%	16.6%	18%	16.9%	21.6%		
\$250-500K	704,188/8.4%	2,104/1.5%	334,690	31%	21.4%	24.6%	21.1%	26.1%		
\$500-1M	403,585/4.8%	598/.41%	674,891	31.5%	26.4%	28%	24.2%	28.75%		
\$1-1.5Mill	163,096/1.9%	135/.1%	1,208,119	32%	28.7%	29.4%	24.8%	28.97%		
\$1.5-2M	96,284/1.2%	56/.04%	1,793,571	32.5%	29.6%	30.1%	25%	29.11%		
\$2-5M	236,076/2.8%	79.4/.05%	2,973,249	33%	31%	31.9%	24.9%	28.77%		
\$5-10M	130,764/1.6%	19.2/.01%	6,810,625	33.5%	32.3%	32.7%	24%	27.72%		
>\$10M	321,636/3.8%	11.4/.01%	28,213,684	34%	33.5%		20.4%	23.84%		

Demand impartiality and truth by collecting the same effective rates without the complexity of the current “intentionally deceptive” FIT. Can you see that the continuous drumbeat of the “rich” not paying their fair share is a sham at best when one reviews the actual IRS collections data? Another important fact is that on average itemized deductions began to pay off when incomes exceed \$150,000 though marginally as shown above. Again, seek the truth for yourself versus accepting the propaganda: some call it rhetoric? Solutions need to revolve around a real understanding and facts not around "info-mercial-news" directed misunderstandings often given by the mis-leaders among us! We must begin to demand truth and work to understand and if we are unwilling to do so then we will deserve the mess we build for ourselves, our kids and grandkids.

Given what we have presented to this point any logical person would ask why have we kept these antiquated FIT systems? It is simple, promises do create votes even when the promises are not based on facts, nor are they kept after the election. And, with the convoluted FIT in America you can see why politicians and even experts who make a living on the mess, keep the

voters in the dark: demand better to get better! And, yes, starting and continuing governmental dependencies does pay off in votes. But, ask yourself, if it serves many well. Learning to learn with facts you have sought and verified yourself leads to personal "wisdom" development and is key to a democracy working (Arbinger Institute, 2000). We need people that can figure out how to think so that they can develop their own thoughts not let others create them. We need systems that can be understood by an ordinary voting citizen not a system designed to be totally understood by well under 10 people in the world. Even the tax policy experts do not understand it all—we have experts for various portions of our income tax laws and policies. Remember, when anyone promises you something, be sure you understand what it will cost. Masking costs seems to work because we are simply too lazy to figure it out for ourselves. Nothing is free to everyone; there are trade-offs; someone else always pays; something is reduced when something else is increased; there are consequences to all actions; and lastly we are never quite sure what "collective" consequences and costs will be over the long term.

When a recent U.S. presidential candidate was touting "tuition free college," we wondered why not make all public education at the K through 12 levels free? Because if this public education was truly free, we would save most of the property tax in America that is collected primarily to pay for education for the masses. Think about the absurdity of "free." If you think something should be free, why don't you make your vocation free to start the 'free' ball rolling?

Is it time to change the system?

We use a what, what, why model of managing. We tell people to manage by saying: This is what you did, this is what you should have done and here is why. Isaacson (2007) and Service (2009) point to the need to think through relations and relationships using the power of thought experiments to pretest the effectiveness of our management models. In those words think through: What-we look for categories or lists to confirm our feeling and avoid facing uncomfortable facts; What-we should seek base knowledge and facts to grow our understanding; Why-America will continue to decline fiscally, and otherwise until most voters seek to understand before they decide and vote—for the rise and the fall of all great empires had a fiscal decline and dependence at its core (Kennedy, 1987). Develop deep smarts by learning to think and reassess beliefs. Life after all is about change, changeless principles and choices. The choice is ours -- dependency, closed mindedness, and decline or . . . Figure it out! Let us put those principles plus valid research and clear thinking to work with a FIT proposal.

Current U.S. debt and deficits are on catastrophic trajectories and unless those change nothing else will really matter. Also note that the federal income tax rate for the bottom 20% of tax payers averaged just over -5% when you consider earned income tax credits. Yes, that is a negative number. A quick look at the 1040 booklet for 2015 will show that a family of four making \$25,000 with standard deductions will get a net payment of over \$5,000 from income tax: include this in calculating income gaps for the 'clear' story. Yes they paid some \$2,000 SS related taxes, but that is a retirement program. Maybe this makes up for the inverted state system of taxation in some states? Regardless, this indicates a possible tipping point with critical mass of negative net-contributors in close at hand. Next, it seems obvious that understandability and ability to handle for one's self personal income tax are required for "good" self-governance especially in how the government gets most of its revenue. Service and Carson (2010 a, and b), in another somewhat unrelated area, show that when we misunderstand we solve the wrong problems and most often do more harm than good.

Attribution theory and related attribution errors point to our current political climate where propaganda runs amuck. Propaganda as defined by Hitler in Mien Kampf is where you are told

a partial truth to evoke an emotional response, and then hammered with the repeated story. Our current FIT systems are propaganda at the core: understand this. The bottom line is our FIT is so misleading that it has to be pure indoctrination. And, yes, we simply must focus on solving issues not arguing about fault. We repeat Churchill's call: "If we open a quarrel between past and present, we shall find that we have lost the future."

The "best" solution for any issues is the simplest possible and the derived answer must have three things: 1) truth; 2) ownership; and 3) understandability. Ideally and even possibly, every tax payer should develop a one page plan that would increase revenues from an income tax system without increasing rates, add truth and ownership into income taxes, and be totally understandable. Any future changes cannot continue to build on the convoluted misconceptions caused by the smoke and mirrors approach of our current system where even unintended consequences cannot be estimated. In fact only 2-5% of the population would not like these changes. They are the ones that buy votes or are the paid interpreters. The vast intellectual capital represented within all of these "income shifting tax experts" should be redeployed to creating value and marketing not transferring value at a huge cost to individuals and society. Eliminating the need for paid intermediaries (tax lawyers and accountants as well as lobbyist) would up the economy of America. We feel that the improvement would be at least a one-time gain of 2-8%. Consider the cost of calculating taxes, the advantage of new and smart people involved in innovation not shifting, and the better strategic decisions possible because FIT considerations are removed as a variable. Do your own calculations here and remember that historically GDP growth in America since 1776 has been a bit over 3.5% and since 2000 it has been about 2%. With historic growth American has a current GDP of \$19 trillion; if that were replaced with 2%, the current GDP would be under one trillion. How do we get growth up and running at maximum efficiency?

Until we make total and drastic changes we will just keep digging a deeper hole of unintended consequences and false hopes. We cannot keep patching the old system. Behavioral change and social engineering via tax code has basically never worked as intended; and even when it has worked it did not work for long. So why do we think it will work in the future? Unintended consequences result in our convoluted mess and too many putting their money in the wrong places or using it in the wrong ways (Conard, 2012).

Economic principles and any form of fairness (or the buzz words "social justice") requires an understanding that growing an economy can help many overall and redistribution has no such general consequence. Additionally, rights to shares of any economy can be claimed by many approaches. The approach of allocation or distribution has to have some rules; ask yourself, who would write and enforce those rules? In a free market system shares of the economy are decided by "contribution." Simply think about whether contribution should be the metric for economic distribution or not; and if not what should be the measure and who should set those rules (Stanford, 2011)? Get our FIT to value contribution not trickery.

All systems must come to an end at some point

Computer experts, scientist, engineers and business minds alike agree that all human systems over time become so convoluted that they had to be rewritten. Think about one of our longer lived descriptive systems, the Christian Bible. For as noted above, it was in the early 1500s that Martin Luther said we needed to do a few things for the Church at the time convinced everyone that if they wanted to communicate to God they would need an intermediary and the Church was glad to provide that service for a fee. We saw King James establishing a commission to rewrite the Bible and several other versions have been produced since the

famed King James' version. Moreover, at one time you could buy indulgencies (and where are those when we need them?). The ignorant masses were kept to feel this way by those that profited from the ignorance; an issues that many feel is still occurring in Islam as we see basically no books being translated into Arabic in any of the League of Arab nations in the past 30 years—closing of minds (research this for yourself)? Now we have an income tax system that is not in the language of the people where perhaps no one understands it all or even most of it and we've been conditioned to pay others to read and interpret our tax laws for us. And, if we need to communicate with the government we must hire an intermediary to explain it to us and them. Yes, as noted, in 1600 King James decided the Bible had become too convoluted and he assigned 54 "experts" to decide what to keep and exclude and how to rewrite in order to capture the best meanings from the old versions in modern language (Nicholson, 2004: God's Secretaries). Let us now do that with the tax code which makes the Christian Bible seem like a children's book in complexity comparisons.

Do you get our almost ridiculous, yet spot-on analogy? The current authors' are among the most educated among us, in tax, math and statistics but the current FIT is too complex for us. Should all of us remain ignorant and wait for politicians to tell us how to vote to keep us in ignorance and should we tolerate news people telling us what they want us to hear and believe?

U.S. Income Taxes-proposed reforms are asininely shameful scams: replace it like this!

Stated directly all current major political party FIT proposed reforms are at best shams and at worst the most despicable of lies. Let us come up with a novel idea since as Berg correctly declares "Novel ideas are the lifeblood of successful innovation (2016: p. 433)." Berg's research and this article are about understanding that we are all biased, and that we all need to work very hard to look at ideas in light of the consumer we wish to engage. In this case the customers are all tax paying U.S. citizens. To get to a better point we must understand divergent and convergent thinking and how they can be innovatively aligned (Service and Reburn, 2014).

PWC's recent CEO report shows the top concern of 79% of CEO's is over regulation. Likewise, the WSJ article of May 3, "Ending America's Slow-Growth Tailspin" rightly proclaims "[T]he U.S. economy is simply overrun by an out-of-control and increasingly politicized regulatory state. . . Parties argue over tax rate, but what's really needed is deep tax reform, cleaning out the insane complexity and cronyism." The U.S. federal income tax system (FIT) is the most disruptive of all regulations, costing significantly to ascertain. And, the untold long term effects caused by the mirage of considering taxes in personal and organizational strategic choices is immense. Yet, politician and the media remain mired in the complex tweaking of our unintelligible millions of words FIT.

The Proposal for FIT Replacement

Summarizing our findings and conclusions we see that collecting revenue to finance government should be "The" sole FIT purpose of FIT accomplished through: 1-de-politicizing code with certainty-end buying votes and favoritism; 2-easing compliance-almost eliminating the IRS; 3-being understandable and truthful; 4-removing FIT considerations from financial choices; 5-eliminating hired intermediaries and tax lobbyist; 6-stoping guilty until proven innocence assumptions; 7-ending unintended consequences of social engineering; 8-equalizing by removing statuses and categories; 9-eliminating deceptive deductions; and 10-making FIT globally most competitive: differentiate only by income/revenue.

Businesses: Replace business FIT with an all organizations 1% of revenue (same rate for foreign profits brought back to U.S.) incorporating all non-profits as well. IRS data shows that year in and year out business taxes are under 1% of receipts. If we include non-profits as indicated here, the rate could be less than 1%.

Individual FIT: Tax the AGI (adjusted to “real” total income) with no deduction, no different kinds of income or so on. Each SS number files a return. Calculate bracket rates to equal the current effective rates calculated as a percent of AGI of taxes since repeal of the “Bush” tax cuts. Brackets and associated percentages offer no complexity or decisions at all. Fifty brackets with percentage for each \$10K for \$10,000 to \$500K (rates of about .5% to 30%) would work and can be put into a \$2 calculator and on a FIT.gov cite. Everyone would pay equal percentages on the same portions of their income. Earned income credit needs to be a separate system so people will not confuse welfare intended to encourage work with FIT. Figure 1 shows our suggested brackets and completely defines the individual system: no other rules or guides.

Look at Figure 1 and specifically the “New Bracket % on AGI [we marked this as ‘Key %s’]” you can see that everyone pays .5% or \$25 dollars on the first \$5,000 they make—yes, someone that makes only \$5,000 pays the same as the person that makes \$10 million on that first \$5,000. Everyone needs to have a stake in paying for government, not just getting paid by government. Average payments for other incomes will remain about as they are today with the exception of those that make above \$1.5 million. For those with incomes of this million and a half dollar up, a bit more will be collected. The most effected group would be those that earn more than \$10 million and since their effective rate never exceeds 1/3 of total AGI (not a burdensome percentage); and FIT allows (does not require or direct) the extremely fortunate among us to worry only about improving income not avoiding or emphasizing anything.

As we mentioned before, many people worried about what we would do with the accountants, clerks, lawyers and so on who make their living recording, manipulating, and filing taxes, as well as determining the impact of strategic and personal choices. Regardless of whether or not these non-value adding FIT activities cost the economic significantly or not, the resources could generate more value by addressing innovation, cost controls, quality controls, marketing, improving management and so on (see Burns and Stalker, 1961: a classic study of managing innovation; also see HBR’s 10 Must Reads on Innovation, 2013).

CONCLUSION

Ruminate, if you would, on where we are at this point in our manuscript and the disastrous political mess that FIT plays in keeping citizens charged with electing their leaders in the dark. Given that overriding concern, do not let what we have failed to cover here, or our ability to articulate our points, deter you or allow yourself to be put off by what you perceive to be a political agenda. Additionally, do not accept what we show as the final truth. Look up the facts for yourself and verify the information we have presented. That is basically how we started this effort. We have confidence in our numbers and you be the judge about our other directed statements.

If we have been too off-putting or seemed too demanding that you accept our views, get over it! Challenge yourself to gather your own data, verify our data and develop your own plains for the FIT mess. Do you really think any view should NOT include as a minimum four things: 1) Truth-taxation cannot work when it is used to deceive people as to who pays what. We simply do not have that in our existing income tax system to any level at all and even if we did only one in a million at most could tell you the truth of it. Remember no one pays for part of

anything for you. It is cost shifting. In reality, employers do NOT pay part of Social Security for you or pay Health Insurance benefits for you. They pay those things instead of paying you. Know and understand this difference. Corporations pay no taxes they simply collect them as they sell their goods and services—has to be or they could not stay in business. Governmental “cost shifting” to the private sector is paid for by us all and is a dishonest way of indirect taxation (Cascio, 2013: p 493 starts an interesting discussion on this topic). 2) Ownership—when a large number of people pay zero and in fact get money from a system (20% get money back) they have no stake in the process and will simply vote themselves more shares. 3) Do not do behavioral modification through taxation for it does not work as intended. Perhaps if it were for only a few things it could work; or perhaps if people didn’t game systems; or perhaps if there were not unintended consequences (Ridley, 2016 a very recent of example-not as anticipated); or you add the endless lists of “perhaps.” 4) Understandability—if most all of those who cast votes and govern in this great American republic cannot understand it then they cannot vote appropriately.

Let us end with some currently useful lessons we could glean from the 2016 summer Olympics. First, it clarifies how much better the world could be if more of us could realize our born abilities and talents to a greater extent: be more of what we are capable of becoming. The trifecta of our born gifts, desire and work can come together to solve most of our personal problems and those of the world. Second, we worry about bullying from others when we mostly bully ourselves with depression, addictions, wishful thinking and just plain inaction. Lastly, the things that take zero talent—being on time, work ethic, attitude, caring, dependability, truthfulness, trustworthiness, And more—balanced with even limited natural gifts can overcome most things for most of us ordinary people! And, that lesson from Donald Trump’s U.S. presidential campaign; what got you to where you are, will not get you to where you really want or need to be. Yes, change is a must simply for things to remain the same, yet alone improve. Consider all of these lessons related to readdressing any current problems, opportunities or threats—FIT fits the problem and threat amazingly well for revamping and replacing FIT provides an enormous opportunity for learning and human economic advancement (Lazear, 2015).

In an important work on Public Trust (2002) DiPiazza and Eccles add credence to our FIT proposal by stating that the goal must be ensuring the letter and spirit of transparency in all we do as we develop a culture of accountability and participation of all people that is above reproach in all reporting systems. Get on with it and just do it or stop complaining!

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