

# The Fix for Capitalism

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## Step 1. Eliminate the Entire Current Tax Code and Minimum Wage

**This step is pretty self-explanatory.**

We need to eliminate the entire current tax code, including all exemptions. It has been corrupted beyond repair by lobbying and the tax code is overly complicated. Deductions have also been abused and changed to benefit certain industries and companies and they need to be completely eliminated. With everything simplified and transparent, it reduces the ability to cheat the system.

## Step 2. Establish a New Capital Gains Tax Rate

**The current rate tops out at 20% for only \$445,851 for a single filer. We live in the times of billionaires, this is woefully inadequate and needs to be expanded.**

Capital Gains are how the rich continue to get richer, it is unreasonable that they pay such a low tax rate. We also need to eliminate the unfair advantage that marriage creates with the current structure, so the “married, filing jointly” rate is just the “single” rate doubled.

This is my simplified suggested “Capital Gains” tax bracket so that we can effectively “Tax the Rich”.

<b>Tax-filing status</b>	<b>Single</b>	<b>Married, filing jointly</b>	<b>Married, filing separately</b>
<b>0%</b>	\$0 to \$50,000	\$0 to \$100,000	\$0 to \$50,000
<b>15%</b>	\$50,001 to \$500,000	\$100,001 to \$1,000,000	\$50,001 to \$500,000
<b>20%</b>	\$500,001 to \$1,000,000	\$1,000,001 to \$2,000,000	\$500,001 to \$1,000,000
<b>25%</b>	\$1,000,001 to \$2,000,000	\$2,000,001 to \$4,000,000	\$1,000,001 to \$2,000,000
<b>30%</b>	\$2,000,001 to \$5,000,000	\$4,000,001 to \$10,000,000	\$2,000,001 to \$5,000,000
<b>35%</b>	\$5,000,001 to \$10,000,000	\$10,000,001 to \$20,000,000	\$5,000,001 to \$10,000,000
<b>40%</b>	\$10,000,001 to \$25,000,000	\$20,000,001 to \$50,000,000	\$10,000,001 to \$25,000,000
<b>45%</b>	\$25,000,001 to \$50,000,000	\$50,000,001 to \$100,000,000	\$25,000,001 to \$50,000,000
<b>50%</b>	\$50,000,001 to \$100,000,000	\$100,000,001 to \$200,000,000	\$50,000,001 to \$100,000,000
<b>55%</b>	\$100,000,001 to \$250,000,000	\$200,000,001 to \$500,000,000	\$100,000,001 to \$250,000,000
<b>60%</b>	\$250,000,001 to \$500,000,000	\$500,000,001 to \$1,000,000,000	\$250,000,001 to \$500,000,000
<b>65%</b>	\$500,000,001 or more	\$1,000,000,001 or more	\$500,000,001 or more

**This does not cap anyone’s earning potential. All it does is make sure that, when people acquire vast amounts of wealth, they are giving back to the society that enabled it to happen.**

### **Step 3. Establish a New Import Tax Rate**

**It is very important to the stability of the system to charge extra for products being imported by countries that do not share our “Maximum Wage” structure.**

The current system allows for exploitation of cheap and unsafe labor in some countries. We need to impose an import tax specific for each country, based on the economic disparity that currently exists. This will also help deter corporations from just relocating to a location where they are able continue to exploit

workers. We can even place a portion of this money to go into a fund that is dedicated towards helping other countries join our system.

## **Step 4. Set the Corporate Tax as a Flat Tax Rate on All Wages**

**Since deductions create complications and can be exploited, we set a flat corporate tax rate on employee wages vs profits. This includes paying corporate taxes on anyone being paid as an “Independent Contractor” as well, to avoid that as a potential loophole.**

The current system taxes a flat rate of 21% on “profits” for corporations. In contrast, owners of sole proprietorships, partnerships, and LLCs must pay taxes on all business profits at their individual income tax rates, which can be as high as 37%.

By eliminating the deductions and setting a flat corporate tax rate using wages, it prevents companies from not paying taxes. There have been plenty of large corporations that have had \$0 corporate tax bills, this eliminates that from happening.

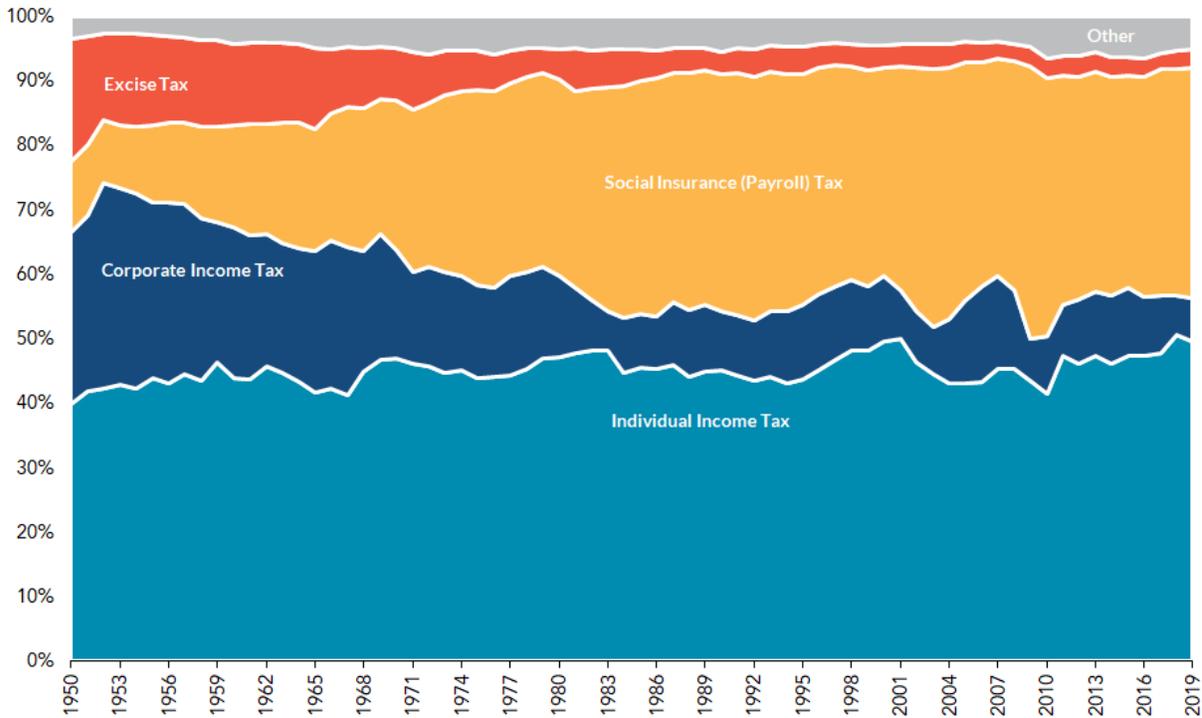
Below shows the breakdown of the sources of revenue for the Federal Reserve. In 1950, close to 25% of it was from Corporate Income Taxes, currently they only account for less than 10%.

FIGURE 4

Sources of Federal Revenue  
Fiscal years 1950–2019



Share of total



Source: Office of Management and Budget. Historical Tables. Table 2.1, "Receipts by Source: 1934–2025."

Additional studies will need to be done to figure out the optimal new tax rate. However, we can use the [Medicare amount that was collected in 2020](#) of \$899.9B, that was collected via a 1.45% tax rate done on all wages (instead of using Social Security numbers that have an earnings cap) to estimate with a corporate tax rate of 15% we could see over \$9T collected, which is more than double the \$3.42T in total government revenue that was collected in 2020. With that being said, I would start with a 7.5% Corporate Tax Rate, for a rough estimate of \$4.5T in revenue.

[U.S. government revenues in the fiscal year of 2020, by category \(in billion U.S. dollars\)](#)

Characteristic	Revenue in billion U.S. dollars
Individual income taxes	1,609
Payroll taxes	1,310

Corporate income taxes	212
Other	289

## Step 5. Establish a National Sales Tax Rate

**A National Sales Tax ensures that everyone in the country contributes to its upkeep.**

By establishing a National Sales Tax, we can make sure that anyone who benefits from being inside of our country, even temporarily, contributes financially. [Per the IRS, in 2019, the bottom 50% had an average income tax rate of 3.5%.](#) This is why I would suggest using 3.5% as the starting point for the National Sales Tax.

## Step 6. Implement my “Maximum Wage Income Tax System”

**An income tax rate that is tied directly to your rank on your company's pay scale.**

Your income tax rate is based on how much you make in relation to other employees at your business, your income tax rate will vary between jobs.

To calculate your “Personal Tax Rate”, you start with your “Total Compensation” divided by the “Business’ Maximum Wage Multiplier” (Required to be publicly posted) which is the amount of the lowest paid employee’s salary within your entire “business chain”, this includes any companies that are managed downstream and money paid to “Independent Contractors”.

For example, XYZ company is a management firm who manages the ABC office. Joe is the lowest paid employee of the ABC office and he makes \$50,000/year, his “Personal Tax Rate” would be 1%.

Jane is the CEO of XYZ company and she makes \$1,000,000/year. This means that, because Jane makes 20x more than the lowest paid employee in her “business chain”, she has a “Personal Tax Rate” of 20%.

This allows businesses to collect all necessary taxes from all employees and “Independent Contractors”. It also encourages executives to raise their employees’ minimum salaries, because it lessens their own taxes.

For example, if Joe was given a \$50,000/year raise to \$100,000/year and was still the lowest paid employee, then Jane would make only 10x more than Joe. So, her personal tax rate would drop to 10%. Effectively saving Jane 10% or \$100,000 in taxes.

## **Step 7. Require Full Funding Disclosure on All Political Ads**

**People deserve to know who is the driving force behind the agenda.**

Corporations commonly back politicians who will manipulate the laws in their favor. However, instead of contributing to them directly, it is typically funneled through Non-Profit Organizations. We deserve transparency on who is the real driving force behind all matters of our government.

## **Step 8. Transparency for our laws**

**We need an easier way to disseminate the information being voted on.**

The current system does not offer the best transparency of how our laws have come to be...

We need to enhance how our laws are compiled and updated. We should have access to a system that offers a change log and records of who suggested, and the reasoning, for each change.

Unfortunately, some politicians will try to force through unrelated items as a bargaining chip. We need to be aware of who is making each change and the reasoning behind each one. It needs to have a public facing read only interface that provides access to the full change logs before a vote is done. Also, oftentimes, bills will be labeled something that would be offensive to oppose, because they hope to invoke an emotional response against opposition.

By establishing a new system, that will make it easier for the average person to stay informed, we force better transparency of our government and help build trust among worthy politicians and then expose any nefarious motives.

\*\*\* This step was modified from putting a maximum length on legislation to the current "Git" style structure after a good conversation with someone one Reddit \*\*\* (I will give credit to them by name, if they desire)

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#PausefortheCause & #TheFixforCapitalism**

**You can also visit [www.pauseforthecause.com](http://www.pauseforthecause.com) to learn about the peaceful protest that  
we are doing to bring awareness to this issue.**