



EPIC Option Made Simple

EPIC Option Calculations

The consumption tax rate will be under 8%. At the creation of this document, the final calculations have not been completed and the examples below used 7.8%.

1. If your current property tax is \$3,000.00 and your income tax is \$1,200.00 annually, you will have an extra \$4,200.00. That would be \$350.00 of extra spending money every month. As you spend that at a 7.8% consumption rate, you will be taxed \$27.30. Which means you will have \$327.60 worth of goods and services to show for your money; currently you have nothing because the state just steals it away from you.
2. If your current property tax is \$3,000.00 and your income tax is \$1,200.00, you would need to spend \$53,846.15 on new goods and service to pay \$4,200.00 of taxes at a rate of 7.8% under the EPIC Option.. Under the current tax system, the State just takes the \$4,200.00 and you have no goods or services to show for it.
3. If a refrigerator that wholesales for \$1,500.00 and is sold in an appliance store in both Iowa and Nebraska.
 - A. The stores in each state will add 10% for profit.
 - B. Iowa will add another percentage to hide property taxes, income taxes and business input taxes; for this example, we will only increase by 10%. Then Iowa will charge another 7% in sales tax. The final price paid in Iowa is $(\$1,500.00 + \$150.00 + \$150.00 = \$1,800.00) \times 7\% = \$1,926.00$.
 - C. Nebraska will not add an extra percentage to hide property taxes, income taxes and business inputs because there are none under EPIC Option. Nebraska will only charge the 7.8% consumption tax and the 10% for their profit. $(\$1,500.00 + \$150.00 = \$1,650.00) \times 7.8\% = \$1,778.70$.
 - D. That makes the refrigerator \$147.30 cheaper in Nebraska than it is in Iowa.
 - E. The same thing will happen with clothes, new cars, and restaurants; now imagine the amount of savings this will be for a family. Definitely worth a drive to Nebraska!
4. A new house purchased for \$300,000.00 with the consumption tax assessed would be \$323,400.00, which is an increase of \$23,400.00. A previously lived in house purchased for \$300,000.00 will have no consumption tax assessed.
 - A. Once the new or previously owned house is purchased, there is no property tax to pay because under EPIC Option there is no property tax.
 - B. Under the current Nebraska tax system, a home owner has to keep paying property tax year after year, even if their home is paid for.
 - a. Below is what a home owner would pay, just in property taxes under the current tax system. This is assuming the property taxes are \$4,500.00 per year, and the property valuation or property taxes did not increase even though there is an increase almost every year.

On a new home purchased for \$300,000.00, everything after 5.2 years is a SAVINGS. On a previously owned home, EVERYTHING IS A SAVINGS and money in your pocket to purchase goods and services for you and your family!

5.2 years – \$23,400.00	10 years – \$45,000.00
6 years – \$27,000.00	11 years – \$49,500.00
7 years – \$31,500.00	12 years – \$54,000.00
8 years – \$36,000.00	13 years – \$58,500.00
9 years – \$40,500.00	14 years – \$63,000.00

