



ANALYSIS OF THE **TRANSACTION TAX & ROYALTIES** MODEL FOR REVENUE GENERATION

A SIMPLIFIED AND EQUITABLE APPROACH TO SUSTAINABLE PUBLIC REVENUE



TRANSACTION TAX

- **BROAD-BASED REVENUE COLLECTION:** By applying a small tax on a wide range of everyday transactions, this model captures revenue from numerous small purchases, leading to a potentially stable and predictable revenue stream.
- **EQUITY ACROSS SPENDING LEVELS:** The model applies progressive tax rates to different transaction sizes. Smaller purchases are taxed at a lower rate, making the tax burden more manageable for lower-income individuals. Higher-value transactions are taxed at a slightly higher rate, which is equitable and ensures that higher spenders contribute more proportionately.
- **LOW ADMINISTRATIVE OVERHEAD:** Since the tax is based on transactions rather than income or corporate profits, it simplifies collection and reduces administrative costs. Retailers and financial institutions can automate this tax at the point of sale, minimizing enforcement needs and compliance burdens.
- **REDUCED TAX EVASION:** Unlike income or corporate taxes, which can be avoided or reduced through various deductions or loopholes, a transaction tax is harder to evade, as it's collected instantly at the point of sale. This leads to more consistent revenue.
- **ADAPTABLE AND SCALABLE:** The transaction tax structure can be adjusted based on economic conditions or targeted to specific transaction types (e.g., luxury purchases), allowing policymakers to scale or fine-tune the model as needed for various revenue goals or economic climates.
- **MINIMAL IMPACT ON CONSUMER BEHAVIOR:** The tax rates are small enough that they are unlikely to significantly deter purchases.

ROYALTIES

- **DIVERSIFIES REVENUE SOURCES:** By adding royalties from specific sectors like entertainment, technology, or pharmaceuticals, the model taps into industries that generate substantial profit but may not be as impacted by transactional taxes. This spreads the revenue collection burden more broadly across the economy.
- **CAPTURES WEALTH FROM HIGH-VALUE INDUSTRIES:** Industries like mining and oil. A royalties tax on these sectors ensures that high-revenue, resource-based industries contribute fairly, particularly if they are benefiting from national resources or public support.
- **ENCOURAGES RESOURCE SUSTAINABILITY:** In natural resource industries, a royalties tax can incentivize more efficient use of resources. When companies know they'll pay royalties on resource extraction, they may adopt sustainable practices to avoid excessive tax burdens while still profiting, which benefits the environment and promotes long-term resource management.
- **OFFSETS EXTERNAL COSTS:** Some industries impose external costs on society, such as environmental impacts from mining or drilling. A royalties tax can help offset these costs by providing the government with funds to address or mitigate the negative effects of these industries.
- **EASILY ADJUSTABLE FOR ECONOMIC FLUCTUATIONS:** A royalties tax can be scaled up or down based on industry performance or specific economic needs. For example, if certain industries are booming, a higher royalty rate can temporarily boost revenue without affecting small businesses or everyday consumers.
- **COMPLEMENTS TRANSACTION TAX COLLECTION:** While the transaction tax focuses on everyday purchases, royalties capture revenue from high-profit industries, ensuring a balanced approach. This combination creates a steady, resilient revenue stream that's less susceptible to economic downturns. All the while repaying and profit sharing with the American people for their interest and use.

CONCLUSION

This simplified tax model reduces the burden across all economic classes, with the average American paying about \$900 annually (\$75 monthly), while still benefiting from year-end credits like child and food credits. Despite lowering taxes for higher-income earners, it generates over \$7 trillion (2024) and encourages reinvestment into the economy. Corporate taxes would drop significantly, saving Fortune 500 companies billions and others millions. In return, Americans would gain royalties from sectors like pharmaceuticals, social media, and entertainment, creating a profit-sharing system. This shift allows corporations to reinvest and grow, benefiting the broader economy.

Overall this model would allow for the government to still generate the revenue needed to operate; all the while lowering the tax burden significantly for most American citizens.

TAX REFORM SHEET

		TRANSACTION TAX AMOUNT	YEARLY AMOUNT OF TRANSACTIONS	TOTAL REVENUE COLLECTED
CATEGORY 1	TRANSACTION TAX:			\$7,002,750,250,000.00
	\$00.10 USD on purchases less than \$10	\$0.10	42,230,000,000	\$4,223,000,000.00
	\$00.50 USD on purchases between \$10- \$50	\$0.50	65,000,000,000	\$32,500,000,000.00
	\$1.00 USD on purchases between \$51- \$100	\$1.00	21,000,000,000	\$21,000,000,000.00
	\$5 USD on purchases between \$101- \$500	\$5.00	14,200,000,000	\$71,000,000,000.00
	\$10 USD on purchases more than \$501	\$10.00	18,100,000,000	\$181,000,000,000.00
	\$20 USD on purchases more than \$1,001	\$20.00	138,000,000,000	\$2,760,000,000,000.00
	Online Transaction Fee \$00.50USD, This is on top of \$ Transaction Tax	\$0.50	10,700,000,000	\$5,350,000,000.00
CATEGORY 2	LARGE TRANSACTION TAX:			
	Consumer Vehicles \$250 each, This is on top of \$ Transaction Tax	\$250.00	52,200,000	\$13,050,000,000.00
	Corporate Fleet Vehicles \$500 each, This is on top of \$ Transaction Tax	\$500.00	8,100,000	\$4,050,000,000.00
	Consumer Watercrafts \$350, This is on top of \$ Transaction Tax	\$350.00	325,000	\$113,750,000.00
	Corporate Watercraft Value of 100k+ \$1000, This is on top of \$ Transaciton Tax	\$1,000.00	20,000	\$20,000,000.00
CATEGORY 3	ONLINE GAMBLING SITES:			
	All transactions over \$5 - 00.50USD	\$0.50	13,100,000,000	\$6,550,000,000.00
CATEGORY 4	TRAVEL TRANSACTION TAX:			
	Airline per flight \$15	\$15.00	1,000,000,000	\$15,000,000,000.00
	Car Rental \$15	\$15.00	48,000,000	\$720,000,000.00
CATEGORY 5	ONE TIME STRUCTURE TAX:			
	Houses Once Built \$1500	\$1,500.00	14,000,000	\$21,000,000,000.00
	Commercial(0-500k) Once Built \$5000	\$5,000.00	6,500	\$32,500,000.00
	Commercial(500k-2MM) Once Built \$10000	\$10,000.00	8,600	\$86,000,000.00
	Commercial 2MM+ Once Built \$20000	\$40,000.00	13,500	\$540,000,000.00

CATEGORY 6	FUEL AND ELECTRICITY TAX:	TRANSACTION TAX AMOUNT	YEARLY AMOUNT OF TRANSACTIONS	TOTAL REVENUE COLLECTED
	Vehicle Fuel - 0.15/gal	\$0.15	135,000,000,000	\$20,250,000,000.00
	Airplane Fuel - \$1.00/gal	\$1.00	910,000,000	\$910,000,000.00
	Charging Station - \$1.00/charge	\$1.00	140,000,000	\$140,000,000.00
	Home per kW 0.01	\$0.01	4,000,000,000,000	\$40,000,000,000.00
	Business per kW 0.015	\$0.02	1,400,000,000,000	\$21,000,000,000.00
	Generator 5k kW+ per sale \$50	\$50.00	2,400,000	\$120,000,000.00
	Solar Panel each per sale \$5	\$5.00	84,000,000	\$420,000,000.00
CATEGORY 7	CORPORATE FRANCHISE TAX:			
	Fortune 500 Mandatory 6.5% Franchise Tax on Gross Profits Made Worldwide	6.500%	31,000,000,000,000	\$2,015,000,000,000.00
	All other Corp Mandatory 3.5% Franchise Tax on Gross Sales/Receipts Made Worldwide	3.500%	2,000,000,000,000	\$70,000,000,000.00
CATEGORY 8	BANKING TAX:			
	Capital Gains of 5%	5.00%	1,000,000,000,000	\$50,000,000,000.00
CATEGORY 9	INFORMATION TECHNOLOGY ADVERTISEMENT ROYALTIES:			
	Per 1000 views - 0.02	0.02	1,270,000,000,000	\$25,400,000,000.00
CATEGORY 10	SPACE EXPLORATION AND SATELLITE ROYALTIES:			
	Fee Per Satellite per Year \$25,000	\$25,000	6,500	\$162,500,000.00
	Fee Per Rocket Launch - \$50,000	\$50,000	250	\$12,500,000.00
CATEGORY 11	PHARMACEUTICAL ROYALTIES:			
	On all Gross Sales/ Receipts 3% , This is on top of Corporate Franchise Tax	3.00%	10,000,000,000,000	\$300,000,000,000.00
CATEGORY 12	RIDE SHARE AND TAXI SERVICE ROYALTIES:			
	\$1/Ride	\$1.00	10,000,000,000	\$10,000,000,000.00
CATEGORY 13	FOSSIL FUEL ROYALTIES:			
	\$7 per barrel	\$7	4,280,000,000	\$29,960,000,000.00

CATEGORY 14	TELECOMMUNICATIONS ROYALTIES:	TRANSACTION TAX AMOUNT	YEARLY AMOUNT OF TRANSACTIONS	TOTAL REVENUE COLLECTED
	On all Gross Sales/Receipts 2%, This is on top of Corporate Franchise Tax	3.00%	8,000,000,000,000	\$240,000,000,000.00
CATEGORY 15	CONSUMER GOODS AND FOOD PRODUCT ROYALTIES:			
	On all Gross Sales/Receipts 1.5%, This is on top of Corporate Franchise Tax	1.50%	30,000,000,000,000	\$450,000,000,000.00
CATEGORY 16	FINICAL SERVICES ROYALTIES:			
	On all Gross Sales/Receipts 1%, This is on top of Corporate Franchise Tax	1.00%	22,000,000,000,000	\$220,000,000,000.00
CATEGORY 17	EQUITY TRADING ROYALTIES:			
	Intraday Trade Fee -\$1 per trade with a value of >\$100	\$1	18,840,000,000	\$18,840,000,000.00
CATEGORY 18	ENT. INDUSTRY ROYALTIES - ALL (INCLUDING SPORTS ENT.)			
	On all Gross Sales/Receipts 2%, This is on top of Corporate Franchise Tax	2.00%	3,000,000,000,000	\$60,000,000,000.00
CATEGORY 19	TOURISM ROYALTIES:			
	On all Gross Sales/Receipts 1%, This is on top of Corporate Franchise Tax	1.00%	1,900,000,000,000	\$19,000,000,000.00
CATEGORY 20	FUTURE INDIVUAL SOCIAL SERVICES FEE :	YEARLY INDIVUAL AMOUNT		
	Each Person making \$20,000-50000 - \$200/year	\$200	48,000,000	\$9,600,000,000.00
	Each Person making \$50,100-100,000 - \$700/year	\$700	54,000,000	\$37,800,000,000.00
	Each Person making \$101,000-250,000 - \$1500/Year	\$1,500	24,200,000	\$36,300,000,000.00
	Each Person making \$250,000-500,000+ - \$5000/Year	\$5,000	3,000,000	\$15,000,000,000.00
	Each Person making \$501,000+ - \$10000/Year	\$10,000	1,500,000	\$15,000,000,000.00
CATEGORY 21	FUTURE INDIVUAL HEALTH SERVICES FEE:			
	Each Person making \$20,000-50000 - \$200/year	\$200	48,000,000	\$9,600,000,000.00
	Each Person making \$50,100-100,000 - \$1000/year	\$1,000	54,000,000	\$54,000,000,000.00
	Each Person making \$101,000-250,000 - \$2500/Year	\$2,500	24,200,000	\$60,500,000,000.00
	Each Person making \$250,000-500,000 - \$3500/Year	\$5,000	3,000,000	\$15,000,000,000.00
	Each Person making \$501,000+ -\$15000/Year	\$15,000	1,500,000	\$22,500,000,000.00

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This report explores the potential of a Transaction Tax and Royalties Model as an innovative solution for sustainable revenue generation vs. the current income tax based system. By simplifying tax processes and redistributing the tax burden equitably, this model seeks to balance individual and corporate contributions while fostering economic growth. With the potential to yield \$7+ trillion annually, the model promises a stable, resilient source of revenue that aligns with modern fiscal priorities.

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