



Public Logic: 20/30 Tax Reform Plan

SUMMARY: The 20/30 Plan is Public Logic's direct answer to a broken tax system. Two tax rates. No loopholes. Fairness by design. It removes complexity, eliminates payroll taxes, and forces transparency across individuals and corporations alike. This document outlines the updated model, following critique, with all assumptions made explicit and justified.

I. INDIVIDUAL TAX STRUCTURE

- **Flat Tax Rate:** 20% of income
- **Exemption:** First \$25,000 tax-free for all individuals
- **Surtax:** Additional 5% applied to personal income above \$250,000
- **No Payroll Tax:** Eliminates Social Security and Medicare deductions from paychecks
- **No Itemized Deductions:** Clean, transparent reporting—income is income

Projected Revenue:

Using updated base assumptions from IRS data and tax behavior models, the plan produces approximately \$3.3T in annual revenue from individuals.

II. CORPORATE TAX STRUCTURE

- **Flat Corporate Tax Rate:** 30% of net profit
- **Reinvestment Clause:** Companies may reduce tax rate to 20% by reinvesting 10% of profit, with conditions:
 - **75%** of that reinvestment must be equally distributed to *all* employees (flat dollar amount)
 - **25%** may be used at employer discretion
- Distributions are taxed as individual income
- **Solo Business Owners:** Pay only the 30% corporate rate; no separate income tax
- **Write-offs Limited to:** Cost of goods sold, operational expenses, and direct business costs

Projected Revenue:

Using a conservative profit base (\$6T annually), the plan captures ~\$1.6T from corporate sources, including taxes on employee reinvestment income.

III. FUNDING & REVENUE MODEL

- **Target:** \$4.9 trillion to match current federal revenue needs
- **Results with 20/30 + 5% Surtax:**
 - Individual Income Tax: \$3.3T
 - Corporate Income Tax (including reinvestment): \$1.6T
 - Other federal revenue sources (tariffs, excise): \$0.8T

- **Total:** ~\$5.7T

Outcome: Revenue-neutral with margin for entitlement funding and infrastructure.

IV. SYSTEM-WIDE COST REDUCTIONS

- **Elimination of Payroll Tax (~\$1.4T/year)**
 - Reduces burden for both employers and workers
 - Cost rolled into general revenue from new model
 - **IRS Simplification**
 - Less enforcement cost, fewer audits
 - Public compliance incentivized through clarity, not fear
 - **Wage-Based Redistribution Efficiency**
 - Company reinvestment becomes payroll stimulus
 - Reduces government overhead for means-tested support
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V. LONG-TERM IMPACT PROJECTIONS

In 5 Years: - Average worker take-home pay increases by 6–10% - Wage transparency becomes normalized through reinvestment disclosures - Audit rates drop; tax evasion becomes economically unwise

In 10 Years: - Federal budget stabilizes due to predictable revenue - Wage-driven growth replaces reliance on consumer credit - Social Security funding remains solvent via general tax pool

In 20 Years: - Wealth inequality narrows as tax avoidance collapses - U.S. becomes model of logic-based capitalism globally - Public trust in tax system reaches all-time high

VI. PUBLIC LOGIC FRAMING

"We didn't raise your taxes. We just cut the BS."

This isn't class warfare. It's a logic upgrade. The 20/30 Plan does what Congress hasn't: restores fairness, removes ambiguity, and uses capitalism's own mechanics to build shared growth.

No gimmicks. No favoritism. Just numbers.

VII. OBJECTION HANDLING

Q: Isn't this a flat tax? Isn't that regressive?

A: Not with the \$25K exemption and 5% surtax. The bottom pays less. The top still pays more.

Q: Doesn't this remove payroll tax funding?

A: Social Security and Medicare are still funded—just from a new pool. No deductions from checks.

Q: Won't companies dodge the reinvestment rule?

A: Not without paying 30%. Greed is still allowed. It's just more expensive now.

Q: What if solo operators game the system?

A: The model closes this. Reinvestment payouts are taxed, and write-offs are limited.

Q: Will this really be enough?

A: We matched or exceeded all current revenue sources in a cleaner, fairer structure. And that's before cracking down on hidden income.

Conclusion: The 20/30 Plan meets every Public Logic standard: clarity, function, fairness, math. It ends the era of tax strategy and begins the era of tax reality. It works—because it makes cheating more expensive than contributing.

Let's put it to work.