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—Allen H. Neuharth, Founder, Sept. 15, 1982

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Today's debate: Tax code

Looking for a tax break? You'll need a trained guide

Our view:

Tax forms have grown so complex, taxpayers miss out on credits.

If you're among the 36 million taxpayers who've waited until now to fill out your forms: Good luck. You may not make it on time.

Federal tax law has become so complicated that the IRS now calculates it takes an average taxpayer 6 hours, 22 minutes to fill out just an ordinary 1040. That's 2 hours, 45 minutes more than in 1992.

Throw in forms for itemized deductions, interest or dividends and stock sales, then add record keeping and filing, and many ordinary taxpayers will spend nearly an extra day doing their taxes compared to in 1992.

Familiarity with tax forms helps cut the time. But the continual dealing between a GOP Congress intent on tax cuts and a Clinton administration insistent on targeting specific programs and constituencies means the rules change every year. The result is a tax code so jumbled that people must spend days complying or, as 55% do, pay a tax preparer to handle it for them.

Administration officials say added complexity is a necessary trade-off to ensure that tax cuts reach those who need them most, the middle and lower classes. Without phase-outs of tax cuts for high earners, they argue, the wealthy would disproportionately benefit from tax breaks.

But it isn't just the wealthy who are getting nicked. Complications abound even in more ordinary credits.

Education provides an example.

Since 1993, Clinton and Congress have negotiated eight different tax credits and deductions for parents or students funding a college education. But a USA TODAY examination found that claiming the credits is so complex that two of the most generous, the \$1,500 Hope and \$1,000 Lifetime Learning credits, are often ignored by qualified taxpayers at filing time. Nationally, \$3.2 billion is being overlooked by taxpayers, about half the benefit the administration promised to make college more affordable.

Similarly, the centerpiece of the 1997 Taxpayer Relief Act, the \$500-per-child, tax credit, is phased out for single parents with an income of \$75,000 or married couples

Taxing times

Since 1992, the time it takes an average taxpayer to fill various forms has increased substantially, according to IRS estimates. Here's how long it takes to keep records, learn and then prepare some of the most common tax forms:

Form 1040	9 hrs., 27 mins.
Schedule A (Itemized deductions)	12 hrs., 16 mins.
4 hrs., 5 mins.	
Schedule B (Interest and dividends)	5 hrs., 19 mins.
1 hour	
Schedule C (Business profit/loss)	1 hour, 5 mins.
Schedule D (Capital gains)	9 hrs., 15 mins.
3 hrs., 54 mins.	
Schedule E (Supplemental income/loss)	9 hrs., 44 mins.
4 hrs., 59 mins.	
EIC (Earned income credit)	5 hrs., 14 mins.
5 hrs., 15 mins.	
106 (Estate tax return)	1 hour, 45 mins.
116 mins.	

Key:
1992
1999

Source: Internal Revenue Service.

By Gary Visgaitis, USA TODAY

with \$110,000 — middle-class families in many coastal urban centers.

In all, there are 20 different income levels at which deductions and credits phase out.

Even the poor aren't immune. Those who apply for the Earned Income Tax Credit may find they lose out if they earn just \$2,350 in interest. And for filers with a child, they must submit the more complex 1040A tax form, with its 65 pages of instructions, rather than the 1040EZ, with 32.

Don't expect relief anytime soon. It took decades for Washington to pass its last major overhaul of the tax code in 1986, which eliminated most loopholes in exchange for lower and fewer tax rates. Since then, simplification has received lip service, as the politicians have piled on more complications.

The White House in its budget proposal this year is pursuing more targeted tax credits for retirement and training programs. And on the campaign trail, Vice President Al Gore is touting targeted tax cuts, without any mention of reducing complexity, while Texas Gov. George W. Bush puts massive tax cuts ahead of simplification.

Tax cuts may sell politically. But, piece by piece, they are producing a tax code so complicated that only an accountant can reap its benefits.

debt would be invoked as a higher budget priority. A less-expensive program would "target" aid to a smaller group and exclude some students because their parents have relatively high incomes. Put in rules to deny aid or phase it out, and things begin to get complicated.

A second objection would be on paternalistic grounds. You can't just give people cash, some would say; you have to write regulations on how they can spend it. More complexity.

A third objection would raise the conservative

Letters

Census 2000 form viola

On the "invasion of privacy" issue with the Census 2000 form, USA TODAY reader Michael B. Leyden says he isn't upset about checking a salary-range box ("Census and the IRS," Letters, Tuesday).

I wonder how he would feel if he had received the long form? I did, and in it I was asked to list my exact 1999 salary, interest, dividends and all other income figures. Additionally, I was asked my annual costs for electricity, gas, water/sewer, oil and coal.

Among the many pieces of information the Census form wanted me to provide are the following:

► Name, phone number, sex, race, marital status, birth date, place of birth, languages spoken, education, ancestry, citizenship, address five years ago and

physical, mental or emotional condition. ► My grandchildren, military service and all of the information concerning my job and place of work, including how long it takes to get there and how many people travel with me.

► My house and everything having to do with it, including the size of the acreage, when it was built and when moved in.

I fail to see how all of this is necessary to determine how many representatives my state shall have in Congress.

Leyden said in his letter that we should worry about something important. We to me, safeguarding this type of private information is important.

Bill Neel
Batesville, Ind.

Unfair to restrict military recruiters

As a Navy veteran, I'm disappointed in the roughly one-quarter of U.S. public schools that deny military recruiters access to their students ("Bill ties school funds to military recruiting," News, Wednesday).

Such a move deprives young people of military career opportunities available to them. Moreover, it makes recruiting, training and retaining a capable fighting force more difficult. I assume educators have nothing against democracy.

Congress should tie federal funds to recruiter accessibility if, for no other reason, to remind a few cocky educators that there is nothing inherently wrong with military service.

I'd like to see educators deny college coaches access to their star athletes. That'll be the day!

Steve Thomas
Washington, D.C.

Useful Microsoft

After reading your editorial on the Microsoft decision, I reflected back on my experience with Microsoft products ("Why Microsoft is guilty and how consumers pay," Our View, Microsoft's behavior debate, Tuesday).

I worked with an international pharmaceutical company when they purchased more than 1,000 laptops. I am sure that IBM, Lotus and other companies gave us a huge discount that individual or small businesses would not receive. We had computer experts in all regional offices to correct any problems.

Upon retiring in 1992, I purchased an IBM home computer. Since that time, I have upgraded twice with Gateway computers equipped with Windows 95 and now the second edition of Windows 98. Originally the browser I used was Netscape. I chose Microsoft's browser because it worked better for me.

Help with problems has been readily available, plus the Microsoft products have been easier to use, and overall costs have come down. Microsoft has benefited consumers.

Neither IBM, Netscape nor any of the other companies tried to help Microsoft. Instead, they played hardball.

William D. Gish
Arlington, Wash.

Microsoft's 'illegalities'

In reference to the judgment against Microsoft, any lawmaker who sides with that company should be ashamed of himself or herself ("We went the extra mile," Opposing View, Microsoft's behavior debate, Tuesday).

House Majority Leader Richard Armey, R-Texas, stated that "the government's case stands on the shifting sands of a rapidly changing marketplace." That may be

Mini-consultation: Dr. Elizabeth V. ville, Va., office. Vaughan is known for

Brainpower suit

The "Just barely dressed for on-the-job success" feature in USA TODAY again offers proof that sometimes there's just no accounting for good taste (Cover Story, Life, Tuesday).

Dr. Elizabeth Vaughan's statement, "Some women are very jealous of women who succeed, especially those who do it using their sexuality," made me want to gag. Such a statement, in my view, only applies if a person is measuring the success of a prostitute.

I applaud any woman who succeeds at whatever job she chooses in life. But, please let the determining factor be the good use of brainpower — not her dress.

Poor, misguided Dr. Vaughan and other Erin Brockovich dress-alikes obviously still have a juvenile need to create shock by their manner of dress to garner attention.

This isn't about a need for freedom of self-expression. It's more about not being smart or mature



Tax code is simple enough

Opposing view:

Alternative is more, unpopular federal spending programs.

By Max Sawicky

For most of us, taxes are relatively simple. Almost 70% of us do not itemize deductions. More than 80% of us don't have to worry about reporting capital gains or losses. Fewer than 1% of us have to wrestle with the "alternative minimum tax."