

**After watching interviews of Governor Romney and the debates, both Presidential and VP, I'm starting to fully get my arms around how Governor Romney works and the details of his tax plan.**

Governor Romney is a successful financier. He is an amazing deal maker. When he has control of a situation, he knows exactly how to get things done. He knows exactly what he wants to do and he knows exactly the process he needs to take to get there. He is incredibly confident in his ability.

I see some of me in him. When it comes to my companies, I know what I want to do and I have complete confidence that I will get to where I need to go. I might not always get there, but I tend to only get into businesses and battles where I am extremely confident I can come out ahead. My failures have never stopped me from having absolute confidence in how I approach business. I have the feeling that Governor Romney has this trait to a far greater degree than even I do. No failure will ever slow down Governor Romney's confidence.

That confidence is exactly the foundation of his tax plan. **This is how I see his plan:**

- He will work to create bipartisan agreement to reduce federal spending as a share of GDP to 20 percent – its pre-crisis average – by 2016.
- He will work to create bipartisan agreement to simplify the Tax Code
- He will work to create bipartisan agreement to Reform Entitlement Programs To Ensure Their Viability
- He will make Growth And Cost-Benefit Analysis Important Features Of Regulation.
- He will work to remove regulatory impediments to energy production and innovation that raise costs to consumers and limit job creation.
- That the rich will continue to pay the same share of taxes as they pay now.
- He believes that income and corporate tax cuts across the board will increase economic growth which will offset the impact of any tax cuts that he is able to create in a revenue neutral manner
- He intends to first negotiate a bipartisan agreement to eliminate corporate and individual deductions other than mortgage interest deductions, health care deductions and several other tax deductions that he feels are important to the middle class
- Once he has negotiated a bipartisan agreement to eliminate corporate and individual deductions he will be able to assess the impact on revenues and determine what tax cuts that can be reasonably made. His goal and hope is that those tax cuts will be 20pct across the board for individuals and to 25pct for corporations. But he has been clear that it is not absolutely certain that these will be the exact numbers.

***If I spent enough time I bet I could create an algorithm that covered all the above, but that is far more work than I am willing to do. More importantly each variable in the algorithm would have to have such a large range of possible outcomes, solving the algorithm wouldn't create much value. It is this fact that makes people believe that Governor Romney has not provided details for his tax plan.***

Well I'm going to fill in those details in a second. But first I want to provide a little more detail on my perception of Governor Romney. As I said at the beginning of this post Governor Romney is a deal maker who has extreme confidence in his ability to get his deals done.

Agree or not, I am certain that **Governor Romney firmly believes the following** – at Bain he created a company that was built on his ability alone to close deals to buy or invest in companies. He knew that he took people's money and he was relentless in getting profitable deals done to make them money. He was hired to fix the Olympics. and he did. He was hired to fix the state of Massachusetts and he feels certain that he did. **Add all this together and I believe that Governor Romney firmly believes that he is as good a negotiator and dealmaker as there is.**

If you put a problem in front of him, he knows in his mind that given enough time, resources and control he can solve the problem.

***Which is the exact detail of the Romney Tax Plan that makes all the numbers add up. Governor Romney is the detail. He will take all the unsolved variables in the algorithm that is our desire to reduce the budget deficit, increase economic growth and thereby increase employment and negotiate them into the outcome that will solve this country's financial problem.***

Can he do it? I don't know. What I do know is that in order for him to have a rational negotiation on all of these variables it requires the politicians he will be negotiating with to negotiate in the best interests of the country rather than for their own personal interests and for the projections of the economists advising him to be accurate. Those are both high risk factors that will be difficult to overcome. I don't know that anyone can overcome them, including Governor Romney. I think it will be difficult for anyone to walk in to the office and get to a compromise that solves the algorithm. But I know Governor Romney has no doubt in his mind that he is more than up to the challenge. Which leads to the next algorithm, what happens if he gets elected and can't get bipartisan agreements? That has to be part of the equation as well.

So what does all this mean? It means this is how I was thinking and I wanted to get it out there to let people comment on it. That's the beauty of a blog, it can create discussion on topics I am interested in.

I'm not saying you should or should not vote for either of the candidates. That is up to you. Nor am I saying that economic issues should be the only factor in who you should vote for. Everyone needs to make their own decisions. Just as I will make my own decision on Nov 6th.

Thanks for reading this far. I hope you jump in on the comments