

EW RISINGER

Excelsior Springs, Missouri

Phone: 816-674-1686 | Email: ernie@ewrisinger.com

Week 1

Corporate Tax Reform — Version A

"Two deductions. No loopholes. No exceptions."

1. The Problem

The national debt has passed \$40 trillion and is growing at \$91,549 per second. Annual interest payments now exceed \$1.1 trillion — more than defense spending, more than Medicare, exceeded only by Social Security. Corporate America pays effective tax rates well below the 21% statutory rate — because the tax code allows corporations to deduct enormous amounts against their gross revenue while working Americans cannot deduct their rent, their utilities, or their car payment. The \$40 trillion national debt is the cost of that arrangement. Version A ends it.

2. The Governing Principle

Two deductions only — the physical cost of goods and wages under \$200,000 per employee. Everything else is taxable at 21%. No exceptions. A working American cannot deduct their rent or their electric bill. A corporation does not get to deduct its way to a fraction of the statutory rate while the national debt grows at \$91,549 per second. Version A ends it. Corporate America gets 18 months advance notice to adjust. Honest government does not ambush the people it governs.

3. The Specific Policy

The \$40 Trillion Context

The United States national debt passed \$40 trillion in September 2026, growing at an average of \$7.91 billion per day — \$91,549 per second. Annual interest payments exceed \$1.1 trillion in FY2026, surpassing the entire defense budget. Penn Wharton Budget Model: policymakers have approximately 20 years to implement fiscal changes before the available options become significantly more costly and the window closes. The 8-year governing goal of this platform is designed to make maximum use of the time that remains.

The Fortune 500 Numbers

The 2025 Fortune 500 reported combined revenue of \$19.9 trillion and combined profits of \$1.87 trillion — after deducting approximately \$18 trillion in costs. They paid approximately \$350-400 billion in federal income tax — well below the 21% statutory rate on taxable income. The governing question

Version A answers: was every dollar of that \$18 trillion a legitimate cost of doing business, or was some of it financial engineering?

Version A in Practice — Five Largest Companies (FY2025 10-K Data, Verified from SEC EDGAR)

Company	Revenue	COGS (10-K)	Est. Qual. Wages*	Taxable Under A	Tax Paid (10-K)	Actual Rate	Tax Under A	Additional Revenue
Apple	\$416.2B	\$221.0B	\$45.0B*	\$150.2B	\$20.7B	15.6%	\$31.5B	\$10.8B
Microsoft	\$281.7B	\$87.8B	\$35.0B*	\$158.9B	\$21.8B	17.6%	\$33.4B	\$11.6B
Alphabet	\$402.8B	\$174.9B	\$40.0B*	\$187.9B	\$26.7B	16.8%	\$39.5B	\$12.8B
Amazon	\$716.9B	\$356.4B	\$120.0B*	\$240.5B	\$19.1B	19.6%	\$50.5B	\$31.4B
Meta	\$201.0B	\$36.2B	\$8.0B*	\$156.8B	\$25.5B	29.6%	\$32.9B	\$7.4B
TOTAL					\$113.8B			\$74.0B

* Qualifying wages are platform estimates based on publicly available headcount data and compensation disclosures. Physical COGS and Tax Paid figures verified from SEC EDGAR FY2025 10-K filings. Amazon note: cash taxes paid were only \$8.3B in FY2025 due to the One Big Beautiful Bill Act (July 4, 2025) reinstating 100% accelerated depreciation — the \$19.1B figure above is the GAAP income tax provision. Note: the statutory 21% rate applies to taxable income, not gross revenue; Version A redefines the taxable base, not the rate.

The Amazon Case — How the Current Tax Code Works Against Version A's Goal

Amazon paid a GAAP income tax provision of \$19.1 billion in FY2025 — but actual cash taxes paid were only \$8.3 billion. The difference is the One Big Beautiful Bill Act signed July 4, 2025, which reinstated 100% accelerated depreciation on qualified property retroactively to January 20, 2025. A company that spends \$100 billion on warehouses and servers can deduct the entire amount immediately — reducing taxable income to near zero in the year of purchase. This is precisely the kind of financial engineering Version A eliminates. Under Version A, capital investment is not deductible — the cost is already recovered through the prices charged to customers.

Deductions and Non-Deductibles

- **Deductible — two categories only:** (1) Narrow physical COGS — the actual cost of purchasing physical inventory or physical inputs for use in production or resale. For manufacturing supply chains, physical inputs flow through each stage as a deductible COGS item. (2) Ordinary employee wages up to \$200,000 per employee per year.
- **Not deductible:** all compensation above \$200,000; accelerated depreciation and capital investment deductions; R&D credits; stock buyback expenses; offshore earnings rate-shifting; marketing and advertising; legal, accounting, and lobbying fees; server and infrastructure costs; financial engineering; royalty payments to foreign parent companies. Business decisions about how to deploy capital are the company's choice — not the taxpayer's obligation to subsidize.
- **Capital investment — the double compensation argument:** when a manufacturer purchases equipment, the cost of that equipment is built into the price of every product over its useful life. The customer pays a price that already includes the amortized capital cost. Deducting it from taxes

means the taxpayer compensates them a second time.

- **Lawsuit settlements not deductible:** J&J \$8.9B opioid settlement, Bank of America \$16.6B mortgage fraud settlement, Bayer/Monsanto \$10B Roundup settlements — companies pay the full cost of their wrongdoing.
 - **R&D deduction eliminated:** the federal government funds basic research directly through NIH, NSF, and DARPA. A company's decision to invest in private R&D is a business strategy choice — not the taxpayer's obligation to subsidize through the tax code.
-

Buy-Borrow-Die Loophole — Three-Part Wealth Tax Reform Above \$5 Million

- **Mark-to-market annual taxation:** unrealized gains above \$5 million taxed at 21% annually — same treatment as futures contracts since 1981.
 - **Loans secured by appreciated assets:** borrowing against a stock portfolio triggers capital gains tax at time of borrowing.
 - **Stepped-up basis eliminated at death above \$5 million. Combined estimated revenue:** \$100-200 billion per year — subject to CBO independent scoring.
-

The 8-Year Sunset Provision

Version A takes effect January 1 of Year 2 and expires automatically at the end of Year 8 unless Congress affirmatively votes to extend it. At the end of 8 years the numbers either prove the attempt succeeded or they do not. If they do — Congress has every incentive to extend. If they do not — it expires automatically. The sunset also neutralizes the corporate relocation threat: the business case for uprooting an entire operation over a policy that expires in 8 years is dramatically weaker than one that is permanent.

The 18-Month Advance Notice

Platform published September 2026 — more than 18 months before inauguration. Version A takes effect January 1 of Year 2. Every corporation in America has the full notice period to adjust pricing, planning, and strategy accordingly.

The 8-Year Governing Goal — Attempting to Cut the National Debt in Half

- Version A generates an estimated \$1.9-2.1 trillion per year in additional corporate tax revenue — independently scored by CBO within 90 days. This figure is supported by a 595-company bottom-up model using published industry cost benchmarks from NYU Stern Damodaran data, which produced an estimate of \$1.921 trillion. The CBO score is the governing number.
- After funding the platform's spending commitments, the surplus goes directly to debt principal reduction.
- **If we succeed:** interest savings of approximately \$500 billion per year — permanent regardless of what the next administration does.
- **New spending discipline:** programs activate only after verified collections reach defined thresholds.

CBO Verification and Revenue Discipline

- Revenue estimates independently scored by CBO within 90 days of inauguration. If collections exceed projections — debt reduction accelerates. If they fall short — programs phase in more slowly. The CBO score is the governing number. The platform commits to whatever that number is.

4. Estimated Revenue

Five largest companies alone: \$74 billion in additional annual revenue under Version A based on verified FY2025 10-K data. Total estimate across 595 major corporations: \$1.921 trillion per year from bottom-up industry modeling using NYU Stern Damodaran benchmarks. Platform stated range: \$1.9-2.1 trillion per year. All figures subject to CBO independent scoring within 90 days of inauguration — the CBO score is the governing number. New spending activates only after verified collections reach defined thresholds. Version A expires at the end of Year 8 unless Congress votes to extend it.

5. Year 1 Implementation and Measurable Result

Year 1 measurable result: platform published publicly September 2026 — 18 months advance notice to all corporations; Version A legislation introduced via budget reconciliation within 30 days of inauguration; CBO-scored revenue model delivered within 90 days; Version A with 8-year sunset takes effect January 1 of Year 2; first quarterly tax collections published publicly on the Week 4 spending dashboard. The national debt growth rate is the accountability metric — published weekly on the public spending dashboard.