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Week 15

Alternative Federal Revenue Package

"The government owns valuable things. It should charge for them."

1. The Problem

The federal government owns 640 million acres of land — 28% of the entire United States — along with the electromagnetic spectrum, vast mineral deposits, grazing rights, and intellectual property developed with taxpayer-funded research. It charges below-market rates for most of it while running a \$2 trillion annual deficit and accumulating \$40 trillion in debt. Federal grazing fees are \$1.35 per Animal Unit Month — confirmed from BLM fee schedules. Private grazing land leases at \$15-30 per AUM in the same regions. The government is subsidizing private extraction of public resources at a fraction of market value while the American people run a \$2 trillion annual deficit. Separately, the IRS tax gap — taxes legally owed but not collected — reached approximately \$696 billion gross in tax year 2022, the most recent year with IRS data. The government has both a collection problem and a pricing problem. Week 15 addresses both.

2. The Governing Principle

The government owns valuable things. It should charge for them. Every federal asset generates its maximum sustainable return to the Treasury. No private company extracts value from public assets at below-market rates while the American people run a deficit. The government collects taxes already owed and charges market rates for what it owns. These are not tax increases — they are fair pricing for public assets and enforcement of existing tax law.

3. The Specific Policy

IRS Enforcement — Collect Taxes Already Owed

- **IRS tax gap:** approximately \$696 billion gross in tax year 2022 — confirmed from IRS National Research Program projections published 2024. Net tax gap after enforcement and late payments: approximately \$606 billion. Taxes legally owed by American taxpayers and businesses that the IRS does not collect because it lacks the enforcement capacity to pursue them.
- **IRS enforcement restoration — \$3 billion per year in additional capacity:** the IRS has been systematically defunded, eliminating the auditors who generate the most revenue per dollar invested. Restore IRS enforcement funding to 2010 levels adjusted for inflation. At the documented \$5-9 return per dollar of enforcement spending — confirmed from CBO and IRS analyses — \$3 billion in additional enforcement generates \$15-27 billion per year in additional collections at Year

1, scaling to \$150-300 billion per year at full implementation.

- **High-wealth audit priority:** IRS data shows the highest return on enforcement investment comes from auditing high-income and high-wealth filers. The top 1% of earners account for approximately 28% of the tax gap per IRS research. Enforcement directed at this category generates the highest return per audit hour.

Federal Land and Resource Pricing

- **Federal grazing fees at market value — phased over 3 years:** current federal grazing fee is \$1.35 per Animal Unit Month — confirmed from BLM fee schedules. Private grazing land in the same regions leases at \$15-30 per AUM. Raise federal grazing fees to 50% of market value in Year 1, 75% in Year 2, full market value in Year 3. Combined estimated additional annual revenue: \$500 million to \$2 billion per year — the lower figure because many marginal grazing operations will exit, reducing the base.
- **Federal mineral royalty rates at market value:** federal mineral royalty rates reviewed and adjusted to market equivalents for all new leases. Existing leases honored at contracted rates. New leases priced to reflect market value of the resource being extracted from public land. Estimated additional annual revenue: \$3-13 billion per year from adjusted royalty rates.
- **Spectrum auction — underutilized federal spectrum at market value:** the federal government controls vast amounts of electromagnetic spectrum and has historically underpriced or delayed commercial reallocation. Accelerate reallocation of underutilized federal spectrum bands. Target: \$50-100 billion in spectrum auction revenue over 8 years. Source: FCC spectrum auction history confirms this revenue range is achievable based on prior auctions.

Federal Data Center Leasing and IP

- **Federal data center leasing — Week 26 campus model applied nationally:** the Week 26 desert campus data center leasing model is replicated at other federal installations with suitable power, land, and connectivity. The federal government already has the land and often the power infrastructure. It charges for access at market rates. Estimated additional annual revenue: \$10-30 billion per year at scale.
- **Federal intellectual property — enforce Bayh-Dole march-in rights:** technologies developed with federal funding are commercialized by private companies that pay minimal royalties. Strengthen Bayh-Dole Act march-in rights — when a company charges unreasonable prices for a federally funded invention, the government licenses competing manufacturers. Drug prices for medications developed primarily with NIH funding are the primary target. Estimated additional royalty revenue: \$2-5 billion per year.

4. Estimated Revenue

IRS enforcement restoration: \$150-300 billion per year in additional collections at full implementation. Spectrum auctions: \$10-20 billion per year averaged over 8 years. Mineral and grazing rights at market pricing: \$3-15 billion per year. Federal data center leasing: \$10-30 billion per year at scale. IP licensing and march-in rights: \$2-5 billion per year. Total estimated additional annual revenue: \$175-370 billion per year at full implementation. Note: an earlier version of this platform stated the federal government owns \$120 trillion in natural resources — that figure came from a 2013 Institute for Energy Research estimate using gross resource values that has been widely criticized as overstated. It has been removed. The revenue estimates above do not depend on any total asset valuation figure. All estimates independently scored by CBO within 90 days.

5. Year 1 Implementation and Measurable Result

Year 1 measurable result: IRS enforcement funding restored within 60 days; 2,000 additional enforcement agents hired by end of Year 1; spectrum reallocation plan published within 90 days; federal grazing fees increased to 50% of market value within 180 days; \$30 billion in additional tax collections documented by end of Year 1. IRS tax gap baseline: \$696 billion gross, \$606 billion net — IRS tax year 2022 projections.

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