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One Family's Tax Bill Under Chamber Proposal

<u>Categories</u>	<u>2000-2003</u>	<u>Average Annual</u>
Taxed:		
Banking & Retirement	\$ 210.53	\$ 70.18
Refinance Mortgage	\$ 138.20	\$ 46.07
Selling House	\$ 389.90	\$ 129.97
Buying House	\$ 140.80	\$ 46.93
Life Insurance	\$ 30.90	\$ 10.30
Car Washes	\$ 30.00	\$ 10.00
Transportation	\$ 90.00	\$ 30.00
Legal	\$ 1,650.00	\$ 550.00
Home Services – not exempt	\$ 121.50	\$ 40.05
Total Service Tax	\$ 2,807.83	\$ 933.50

Not included:

Insurance services

Is car insurance exempt as maintenance?	\$ 276.90	\$ 92.30
Is home insurance exempt as maintenance?	\$ 171.80	\$ 57.27

Credit Cards

What is taxable? Interest Charges?	\$ 825.00	\$ 275.00
Mortgage Payments, Interest Charges?		
Car Payments, Interest Charges?		

How Is It Taxed?

<u>How Is It Taxed?</u>		<u>Chamber Proposal</u>	<u>How?</u>	<u>Who Pays More?</u>
Banking	Account Fees	Yes		Fees waived w/ high balances
	ATM Fees	Yes	By transaction, even if fees aren't charged?	
	Origination Fees	Yes		
	Interest charges	?	Interest, as the service charge for borrowing?	
	Mortgage Interest	?		
Retirement Services	IRA Fees	Yes		Fees waived w/ high balances
	401K Fees	Yes		Fees waived w/ high balances
	Investment Fees	Yes		Higher the balance, smaller the fee on % basis
	Mutual Fund Fees	Yes		
	Annuity Payments	Yes	Entire payment?	
Rent	Rent (\$1,000 per month would equal \$600 in service tax per year)	?	Real estate category defined to include lessors of real property.	Higher income, less likely to rent
Transportation	Bus fare	Yes		Wealthy families rarely ride the bus
Credit Cards	Late Fees	Yes		
	Annual Fees	Yes		Fees waived w/ better credit
	Interest Charges	?	Interest, as the service charge for borrowing?	Lower interest w/ better credit
	Monthly Payments	?		
Car Loans	Interest charges	?	Interest, as the service charge for borrowing?	
	Monthly Payments	?		
	Credit Insurance	?		
Insurance				
Car	Maintenance exemption	?	What about amounts collected in accidents?	
House	Maintenance exemption	?	What about amounts collected in claims?	
Life	Not exempted	Yes	On premiums? On amounts collected?	Higher income, more likely paid by employer