

## Documentary makes case for restructuring of income tax code in America

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Albert Einstein once said that the hardest thing in the world to understand is the income tax.

This quote appears in the opening minutes of the documentary, "An Inconvenient Tax," which tackles this very issue, arguing for the need for reform and discussing possible solutions for our current income tax.

The documentary was shown in the Nebraska Union on Tuesday evening at the University of Nebraska-Lincoln. Following the film, the filmmaker, Vincent Vittorio, and John Anderson, associate dean of the College of Business Administration, answered the audience's questions regarding the current tax code and tax reform.

The film first discussed the history of taxation in the United States, dating back to the Revolutionary War. Through this history, viewers learned about politics' role in forming the complexity of the tax code, and the film went on to explain the challenges of overcoming these forces.

It then shared a variety of tax reform alternatives currently being discussed in American politics including the fair tax, the flat tax, the progressive consumption tax and the value-added tax. All are based on consumption, aiming to tax people on what they spend, not what they save.

As it continued, viewers were reminded that the purpose of taxes is to fund the federal government. It pointed out that as the deficit increases, tax reform will become a more pressing issue. Ultimately, it called for viewers to push for tax reform and choose the alternative they felt was the best option. The filmmaker, Vittorio, first became interested in tax reform when living in Georgia where there is a large movement for a tax reform solution known as the fair tax. As he continued to research the topic, he became more interested and learned there were more options for tax reform.

Anderson, whose academic background is in public finance, has been involved with the political side of tax policy since the 1980s when he served as the deputy treasurer of Michigan. From 2005 to 2006, he served on the President's Council of Economic Advisers, where he conducted research on tax reform for the President's Tax Panel. He supports a fundamental tax reform, meaning not just tinkering with tax rates but rethinking the tax base.

The film and the following discussion emphasized the political challenges of tax reform. Anderson said the three objectives of tax reform are fairness, simplicity and pro-growth. The challenge is agreeing which of these is most important and how to define each one.

"Tax reform is a hard objective to accomplish. Politically it's hard to pull off," said Anderson. "I'd be hopeful a few years down the road that a consensus could be formed."

As he was researching the film, Vittorio found it depressing how little people who should be knowledgeable about the tax code knew about it.

"It opened my eyes to how inefficient it is. It just doesn't work right now," Vittorio said. "The biggest thing it showed me is how complicated it is."

Vittorio's goal with the documentary was to give viewers an objective understanding of a topic so that they can decide what they feel is best.

Anderson said the two greatest strengths of the film were its historical perspective and its case for fundamental tax reform, showing alternatives from across the political spectrum in an evenhanded way. "People need to understand the history to understand what the best solution may be," Vittorio said. "That's the section everyone says is very powerful."

The film and discussion offered students and local community members who attended the opportunity to gain a greater understanding of the income tax and the options for tax reform.

"I think that people need to understand not only the tax system, but how government works and spends its money, but it's hard to learn about," said Megan McKillip, a senior accounting major. "It explained the basics in an understandable way and also the need for reform."  
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