

Question: Where do embedded taxes come from?

- Answer: Aggregation of the following at each level of the production cycle,
 - Hidden Withholding Taxes
 - Hidden Corporate Taxes
 - Hidden Compliance Costs
 - Cost of Tax Driven Business Decisions
- The effects are illustrated in the following “Hammer Scenario” Slide
 - Notice the intensive reporting and support required on income tax side (Blue Bands + Tax Compliance = Wasted \$\$\$ embedded in final price)
 - A single form is submitted by the Retailer on the AEFA side to report all taxes
 - No other known tax system is as simple, fair, visible, neutral, efficient, stable or fosters robust economic growth like the AEFA

THE HAMMER SCENARIO – A PER/UNIT ANALYSIS

APPLIES TO THE SALE OF ANY SERVICE OR PRODUCT BOUGHT IN FINAL PERSONAL CONSUMPTION

