

OFFICIAL COURTHOUSE WEBSITES:

MANATEE COUNTY:
manateeclerk.com

SARASOTA COUNTY:
sarasotaclerk.com

CHARLOTTE COUNTY:
charlotte.realforeclose.com

LEE COUNTY:
leeclerk.org

COLLIER COUNTY:
collierclerk.com

HILLSBOROUGH COUNTY:
hillsclerk.com

PASCO COUNTY:
pasco.realforeclose.com

PINELLAS COUNTY:
pinellasclerk.org

POLK COUNTY:
polkcountyclerk.net

ORANGE COUNTY:
myorangeclerk.com

Check out your notices on: floridapublicnotices.com

Business Observer

LV10183

FIRST INSERTION

NOTICE OF SALE
IN THE COUNTY COURT OF THE
6th JUDICIAL CIRCUIT IN AND
FOR PASCO COUNTY, FLORIDA
CASE NO: 2019CC000584
THE PRESERVE AT FAIRWAY
OAKS HOMEOWNER'S
ASSOCIATION, INC., a
not-for-profit Florida corporation,
Plaintiff, vs.

ELLEN L. DAVIS, Trustee of the
MICHAELIS REVOCABLE TRUST
AGREEMENT DATED THE 5 DAY
OF AUG, IN THE YEAR 2010; AND
UNKNOWN TENANT(S),
Defendants.
NOTICE IS HEREBY GIVEN that,
pursuant to the Final Judgment
entered in this cause, in the County Court
of Pasco County, Florida, Nikki Alvarez-
Sowles, Clerk of Court, will sell all the
property situated in Pasco County, Flor-
ida described as:

Lot 486, THE PRESERVE AT
FAIRWAY OAKS UNIT FOUR,
according to the Plat thereof as
recorded in Plat Book 39, Page
23-29, of the Public Records of
Pasco County, Florida, and any
subsequent amendments to the
aforesaid.
Property Address: 13619 Pim-
berton Drive, Hudson, FL 34669
at public sale, to the highest and best
bidder, for cash, via the Internet at
www.pasco.realforeclose.com at 11:00
A.M. on May 12, 2020.

IF THIS PROPERTY IS SOLD AT
PUBLIC AUCTION, THERE MAY BE
ADDITIONAL MONEY FROM THE
SALE AFTER PAYMENT OF PER-
SONS WHO ARE ENTITLED TO BE
PAID FROM THE SALE PROCEEDS

PURSUANT TO THIS FINAL JUDG-
MENT.

IF YOU ARE A SUBORDINATE
LIENHOLDER CLAIMING A
RIGHT TO FUNDS REMAINING
AFTER THE SALE, YOU MUST
FILE A CLAIM WITH THE CLERK
NO LATER THAN 60 DAYS AFTER
THE SALE. IF YOU FAIL TO FILE A
CLAIM, YOU WILL NOT BE ENTI-
TLED TO ANY REMAINING FUNDS.

If you are a person with a disability
who needs any accommodation in order
to participate in this proceeding, you
are entitled, at no cost to you, to the
provision of certain assistance. Please
contact the Public Information Dept.,
Pasco County Government Center, 7530
Little Rd., New Port Richey, FL 34654;
(727) 847-8110 (V) in New Port Richey;
(352) 521-4274, ext 8110 (V) in Dade
City, at least 7 days before your sched-
uled court appearance, or immediately
upon receiving this notification if the
time before the scheduled appearance is
less than 7 days; if you are hearing im-
paired call 711. The court does not pro-
vide transportation and cannot accom-
modate for this service. Persons with
disabilities needing transportation to
court should contact their local public
transportation providers for informa-
tion regarding transportation services.

MANKIN LAW GROUP
By BRANDON K. MULLIS, ESQ.
Attorney for Plaintiff
E-Mail:
Service@MankinLawGroup.com
2535 Landmark Drive, Suite 212
Clearwater, FL 33761
(727) 725-0559
FBN: 23217
Apr. 24; May 1, 2020 20-00817P

SUBSEQUENT INSERTIONS

THIRD INSERTION

Notice of Application for Tax Deed
2019XX000203TDAXXX
NOTICE IS HEREBY GIVEN,
That 5T WEALTH PARTNERS LP, the
holder of the following certificates has
filed said certificate for a tax deed to be
issued thereon. The certificate number
and year of issuance, the description of
property, and the names in which it was
assessed are as follows:

Certificate #: 1502202
Year of Issuance: 06/01/2016
Description of Property:
15-26-21-0030-02100-0013
ZEPHYRHILLS COLONY
COMPANY LANDS PB 1 PG 55
EAST 76 FT OF WEST 344 FT
OF NORTH 150 FT OF TRACT
21 OR 3526 PG 144

Name(s) in which assessed:
ARTHUR D OGSBURY
MABEL D OGSBURY

All of said property being in the County
of Pasco, State of Florida
Unless such certificate shall be
redeemed according to the law, the
property described in such certificate
shall be sold to the highest bidder
online at <http://pasco.realtaxdeed.com>,
on May 14, 2020 at 10:00 am.

April 01, 2020
Office of Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller
By: Denisse Bonilla
Deputy Clerk
April 10, 17, 24; May 1, 2020
20-00743P

SECOND INSERTION

NOTICE TO CREDITORS
IN THE CIRCUIT COURT FOR
PASCO COUNTY, FLORIDA
PROBATE DIVISION
File No. 2020-CP-00454CPAXWS
IN RE: ESTATE OF
GUGLIELMO GIOINO,
Deceased.

The administration of the estate of
GUGLIELMO GIOINO, deceased,
whose date of death was January 18,
2020, is pending in the Circuit Court
for Pasco County, Florida, Probate Di-
vision, the address of which is 38053
Live Oak Avenue, Dade City, FL 33523.
The name and address of the personal
representative and the personal repre-
sentative's attorney are set forth below.

All creditors of the decedent and oth-
er persons having claims or demands
against decedent's estate on whom a
copy of this notice is required to be
served must file their claims with this
court ON OR BEFORE THE LATER
OF 3 MONTHS AFTER THE TIME
OF THE FIRST PUBLICATION OF
THIS NOTICE OR 30 DAYS AFTER
THE DATE OF SERVICE OF A COPY
OF THIS NOTICE ON THEM.

All other creditors of the decedent
and other persons having claims or de-
mands against decedent's estate must
file their claims with this court WITH-
IN 3 MONTHS AFTER THE DATE OF
THE FIRST PUBLICATION OF THIS
NOTICE.

ALL CLAIMS NOT FILED WITHIN
THE TIME PERIODS SET FORTH IN
SECTION 733.702 OF THE FLORIDA
PROBATE CODE WILL BE FOREV-
ER BARRED.

NOTWITHSTANDING THE TIME
PERIODS SET FORTH ABOVE, ANY
CLAIM FILED TWO (2) YEARS OR
MORE AFTER THE DECEDENT'S
DATE OF DEATH IS BARRED.

The date of first publication of this
notice is April 17, 2020.

Personal Representative:
s/ Gaetano Gioino
GAETANO GIOINO
16 Rosemere Avenue
West Caldwell, NJ 07006
Attorney for Personal Representative:
s/ Patrick A. Raley
PATRICK A. RALEY, ESQUIRE
Infantino and Berman
P.O. Drawer 30
Winter Park, FL 32790-0030
(407) 644-4673
praley@infantinoberman.com
charber@infantinoberman.com
Bar No. 264202
April 17, 24, 2020 20-00809P

**HOW TO
PUBLISH YOUR
LEGAL NOTICE
IN THE BUSINESS OBSERVER**

**CALL
941-906-9386**
and select the appropriate County
name from the menu option

**OR E-MAIL:
legal@businessobserverfl.com**

**Business
Observer**

LV10243

THIRD INSERTION

Notice of Application for Tax Deed
2019XX000264TDAXXX
NOTICE IS HEREBY GIVEN,
That 5T WEALTH PARTNERS LP, the
holder of the following certificates has
filed said certificate for a tax deed to be
issued thereon. The certificate number
and year of issuance, the description of
property, and the names in which it was
assessed are as follows:

Certificate #: 1102650
Year of Issuance: 06/01/2012
Description of Property:
23-26-21-0040-00A00-0860
SHADY OAKS MOBILE MOD-
ULAR ESTATES UNREC PLAT
LOT 86 BLOCK A DESC AS
FOLL: COM AT MOST NLY
COR OF LOT 46 BLOCK A OF
SHADY OAKS MOBILE MOD-
ULAR ESTATES PB 11 PG 37
TH S26DG 33' 30"E 889.12 FT
TH S17DG 00' 00"W 140.25 FT
TH S43DG 30' 00"W 106.06 FT
TH WEST 1610 FT TH NORTH
285 FT FOR POB TH NORTH
56 FT TH EAST 95 FT TH
SOUTH 56 FT TH WEST 95 FT
TO POB OR 4798 PG 1266

Name(s) in which assessed:
ESTATE OF CARL D LESLEY

All of said property being in the County
of Pasco, State of Florida
Unless such certificate shall be
redeemed according to the law, the
property described in such certificate
shall be sold to the highest bidder
online at <http://pasco.realtaxdeed.com>,
on May 14, 2020 at 10:00 am.

April 01, 2020
Office of Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller
By: Denisse Bonilla
Deputy Clerk
April 10, 17, 24; May 1, 2020
20-00754P

SECOND INSERTION

NOTICE TO CREDITORS
IN THE CIRCUIT COURT FOR
PASCO COUNTY, FLORIDA
PROBATE DIVISION
File No. 20-CP-168
Division ES
IN RE: ESTATE OF
MARGARET L. ZEHNDER,
A/K/A MARGARET AUGUSTA
LOUISE ZEHNDER
Deceased.

The administration of the estate of
Margaret L. Zehnder, a/k/a Margaret
Augusta Louise Zehnder, deceased,
whose date of death was December
18, 2019, is pending in the Circuit
Court for Pasco County, Florida, Pro-
bate Division, the address of which is
38053 Live Oak Avenue, Dade City, FL
33523. The names and addresses of
the personal representatives and the
personal representatives' attorney are
set forth below.

All creditors of the decedent and oth-
er persons having claims or de-
mands against decedent's estate on
whom a copy of this notice is required
to be served must file their claims
with this court ON OR BEFORE
THE LATER OF 3 MONTHS AFTER
THE TIME OF THE FIRST PUBLI-
CATION OF THIS NOTICE OR 30
DAYS AFTER THE DATE OF SER-
VICE OF A COPY OF THIS NOTICE
ON THEM.

All other creditors of the decedent
and other persons having claims or de-
mands against decedent's estate must
file their claims with this court WITH-
IN 3 MONTHS AFTER THE DATE OF
THE FIRST PUBLICATION OF THIS
NOTICE.

ALL CLAIMS NOT FILED WITHIN
THE TIME PERIODS SET FORTH
IN FLORIDA STATUTES SEC-
TION 733.702 WILL BE FOREVER
BARRED.

NOTWITHSTANDING THE
TIME PERIODS SET FORTH
ABOVE, ANY CLAIM FILED TWO
(2) YEARS OR MORE AFTER THE
DECEDENT'S DATE OF DEATH IS
BARRED.

The date of first publication of this
notice is April 17, 2020.

Personal Representatives:
Mary Jane Cajthaml
3712 W. Tacon St.
Tampa, Florida 33629
Barbara J. Thiele,
n/k/a Barbara J. Zehnder
5911 N. Branch Ave.
Tampa, Florida 33604
Attorney for Personal Representatives:
Harvey Schonbrun, Esquire
Attorney
Florida Bar Number: 149062
1802 North Morgan Street
Tampa, Florida 33602
Telephone: (813) 229-0664
Fax: (813) 228-9471
E-Mail: harvey@schonbrun.com
Secondary E-Mail:
amber@schonbrun.com
April 17, 24, 2020 20-00810P

**HOW TO PUBLISH YOUR LEGAL NOTICE
IN THE BUSINESS OBSERVER**

CALL 941-906-9386
and select the appropriate County
name from the menu option

**OR E-MAIL:
legal@businessobserverfl.com**

**Business
Observer**

LV10239

Q&A

Are there different types of legal notices?

Simply put, there are two basic types
- Warning Notices and Accountability
Notices.

Warning notices inform you when
government, or a private party
authorized by the government, is
about to do something that may
affect your life, liberty or pursuit of
happiness. Warning notices typically
are published more than once over a
certain period.

Accountability notices are designed
to make sure citizens know details
about their government. These
notices generally are published one
time, and are archived for everyone
to see. Accountability is key to
efficiency in government.

**VIEW NOTICES ONLINE AT
Legals.BusinessObserverFL.com**

To publish your legal notice call:
941-906-9386

LV18237_V4

SECOND INSERTION

NOTICE OF ACTION IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT IN AND FOR PASCO COUNTY, FLORIDA

TO: GERALD G. DEGRANDCHAMP A/K/A GERALD DEGRANDCHAMP LAST KNOWN RESIDENCE: 4601 Eastwood Ln, Holiday, FL 34690 AND TO: UNKNOWN SPOUSE OF GERALD G. DEGRANDCHAMP A/K/A GERALD DEGRANDCHAMP

YOU ARE NOTIFIED that an action to foreclose a mortgage on the following property in Pasco County, Florida: EASTWOOD ACRES UNIT 1, LOT 20 OR 4407 PG 168 TR 10.0, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 8, PAGE 59, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA

Suite 260, Peachtree Corners, GA 30092, on or before 5-18-2020, and file the original with the clerk of this court either before service on Plaintiff's attorney or immediately thereafter;

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the Public Information Dept., Pasco County Government Center, 7530 Little Rd., New Port Richey, FL 34654;

DATED on 4-8, 2020 Nikki Alvarez-Sowles, Esq. As Clerk of Circuit Court By: /s/ Cynthia Ferdon-Gaede Deputy Clerk

SECOND INSERTION

NOTICE TO CREDITORS IN THE CIRCUIT COURT FOR PASCO COUNTY, FLORIDA PROBATE DIVISION

The administration of the estate of Edward J. Wurster, Sr., deceased, whose date of death was March 1, 2020, is pending in the Circuit Court for Pasco County, Florida, Probate Division,

All creditors of the decedent and other persons having claims or demands against decedent's estate must file their claims with this court WITHIN 3 MONTHS AFTER THE DATE OF THIS NOTICE.

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

SECOND INSERTION

NOTICE TO CREDITORS IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT IN AND FOR PASCO COUNTY, FLORIDA PROBATE DIVISION

The administration of the estate of Robert Harley Barnhart, deceased, whose date of death was October 23, 2019, is pending in the Circuit Court for Pasco County, Florida, Probate Division,

All creditors of the decedent and other persons having claims or demands against decedent's estate must file their claims with this court WITHIN 3 MONTHS AFTER THE DATE OF THIS NOTICE.

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

SECOND INSERTION

NOTICE OF PUBLIC SALE Colonial Storage, 3053 Grand Boulevard, New Port Richey, FL 34653. 727-846-0000.

The contents of these units shall be disbursed on Tuesday, May 5, 2020, by Public Auction at 2:30 p.m.

Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller By: Denise Bonilla Deputy Clerk

THIRD INSERTION

Notice of Application for Tax Deed 2019XX000266TDAXXX NOTICE IS HEREBY GIVEN,

Unless such certificate shall be redeemed according to the law, the property described in such certificate shall be sold to the highest bidder online at http://pasco.realtaxdeed.com.

Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller By: Denise Bonilla Deputy Clerk

SECOND INSERTION

NOTICE OF FORECLOSURE SALE IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT OF FLORIDA IN AND FOR PASCO COUNTY

COMMENCE at the Southeast corner of Section 9, Township 25 South, Range 21 East, run thence South 89 degrees 46 minutes 00 seconds West for 645.62 feet to the Point of Beginning,

Any person claiming an interest in the surplus from the sale, if any, other than the property owner as of the date of the lis pendens, must file a claim before the clerk reports the surplus as unclaimed.

LESS Tract No. 2: Commence at the Southeast corner of Section 9, Township 25 South, Range 21 East, run thence South 89 degrees 46 minutes 00 seconds West 389.17 feet for a point of Beginning;

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

degrees 01 minutes 00 seconds East for 169.88 feet to the Point of Beginning,

AND LESS Tract No. 3 Commence at the Southeast corner of Section 9, Township 25 South, Range 21 East, run thence South 89 degrees 46 minutes 00 seconds West for 645.62 feet to the Point of Beginning,

Any person claiming an interest in the surplus from the sale, if any, other than the property owner as of the date of the lis pendens, must file a claim before the clerk reports the surplus as unclaimed.

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

SECOND INSERTION

NOTICE TO CREDITORS IN THE CIRCUIT COURT FOR PASCO COUNTY, FLORIDA PROBATE DIVISION

The administration of the estate of Shannon Kathleen Colon, a/k/a Shannon K. Colon, a/k/a Shannon Colon, a/k/a Shannon Colon, deceased, whose date of death was February 10, 2020, is pending in the Circuit Court for Pasco County, Florida, Probate Division,

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

SECOND INSERTION

NOTICE TO CREDITORS IN THE CIRCUIT COURT FOR PASCO COUNTY, FLORIDA PROBATE DIVISION

The administration of the estate of Robert James Shears, a/k/a Robert J. Shears, deceased, whose date of death was November 26, 2019, is pending in the Circuit Court for Pasco County, Florida, Probate Division,

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 733.702 WILL BE FOREVER BARRED.

THIRD INSERTION

Notice of Application for Tax Deed 2019XX000335TDAXXX NOTICE IS HEREBY GIVEN,

Unless such certificate shall be redeemed according to the law, the property described in such certificate shall be sold to the highest bidder online at http://pasco.realtaxdeed.com.

Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller By: Denise Bonilla Deputy Clerk

THIRD INSERTION

Notice of Application for Tax Deed 2019XX000205TDAXXX NOTICE IS HEREBY GIVEN,

Unless such certificate shall be redeemed according to the law, the property described in such certificate shall be sold to the highest bidder online at http://pasco.realtaxdeed.com.

Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller By: Denise Bonilla Deputy Clerk

THIRD INSERTION

Notice of Application for Tax Deed 2019XX00012TDAXXX NOTICE IS HEREBY GIVEN,

Unless such certificate shall be redeemed according to the law, the property described in such certificate shall be sold to the highest bidder online at http://pasco.realtaxdeed.com.

Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller By: Denise Bonilla Deputy Clerk

THIRD INSERTION

Notice of Application for Tax Deed 2019XX00011TDAXXX NOTICE IS HEREBY GIVEN,

Unless such certificate shall be redeemed according to the law, the property described in such certificate shall be sold to the highest bidder online at http://pasco.realtaxdeed.com.

Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller By: Denise Bonilla Deputy Clerk

SAVE TIME E-mail your Legal Notice legal@businessobserverfl.com

SUBSCRIBE TO THE BUSINESS OBSERVER Business Observer Call: (941) 362-4848 or go to: www.businessobserverfl.com

20-00745P

20-00749P

Choices and Solutions

What Should Be Done

Left unchanged, Social Security and Medicare are bankrupting America. Here are practical ways to provide a social safety net for those who need it. Unfortunately, politicians don't show the courage to cross that bridge.

BY MILTON & ROSE FRIEDMAN

Most of the present welfare programs should never have been enacted. If they had not been, many of the people now dependent on them would have become self-reliant individuals instead of wards of the state.

In the short run, that might have appeared cruel for some, leaving them no option to low-paying, unattractive work. But in the long run, it would have been far more humane. However, given that the welfare programs exist, they cannot simply be abolished overnight. We need some way to ease the transition from where we are to where we would like to be, of providing assistance to people now dependent on welfare while at the same time encouraging an orderly transfer of people from welfare rolls to payrolls.

Such a transitional program has been proposed that could enhance individual responsibility, end the present division of the nation into two classes, reduce both government spending and the present massive bureaucracy, and at the same time assure a safety net for every person in the country, so that no one need suffer dire distress.

Unfortunately, the enactment of such a program seems a utopian dream at present. Too many vested interests — ideological, political and financial — stand in the way.

Nonetheless, it seems worth outlining the major elements of such a program, not with any expectation that it will be adopted in the near future, but in order to provide a vision of the direction in which we should be moving, a vision that can guide incremental changes.

The program has two essential components: first, reform the present welfare system by replacing the ragbag of specific programs with a single comprehensive program of income supplements in cash — a negative income tax linked to the positive income tax; second, unwind Social Security while meeting present commitments and gradually requiring people to make their own arrangements for their own retirement.

Such a comprehensive reform would do more efficiently and humanely what our present welfare system does so inefficiently and inhumanely. It would provide an assured minimum to all persons in need regardless of the reasons for their need while doing as little harm as possible to their character, their independence or their incentive to better their own condition.

THE NEGATIVE INCOME TAX

The basic idea of a negative income tax is simple, once we penetrate the smoke screen that conceals the essential features of the positive income tax. Under the current positive income tax you are permitted to receive a certain amount of income without paying any tax. The exact amount depends on the size of your family, your age and on whether you itemize your deductions. This amount is composed of a number of elements — personal exemptions, low-income allowance, standard deduction (which has recently been relabeled the zero-bracket amount), the sum corresponding to the general tax credit, and for all we know still other items that have been added by the Rube Goldberg geniuses who have been having a field day with the personal income tax.



STEPS TO FIX ENTITLEMENTS

- Enact a “negative income tax.”
- Wind down Social Security

““““

Yet, as Anderson says, “There is no way that the Congress, at least in the near future, is going to pass any kind of welfare reform that actually reduces payments for millions of welfare recipients.”

To simplify the discussion, let us use the simpler British term of “personal allowances” to refer to this basic amount.

If your income exceeds your allowances, you pay a tax on the excess at rates that are graduated according to the size of the excess. Suppose your income is less than the allowances? Under the current system, those unused allowances in general are of no value. You simply pay no tax.

If your income happened to equal your allowances in each of two succeeding years, you would pay no tax in either year. Suppose you had that same income for the two years together, but more than half was received the first year. You would have a positive taxable income, that is, income in excess of allowances for that year, and would pay tax on it. In the second year, you would have a negative taxable income, that is, your allowances would exceed your income but you would, in general, get no benefit from your unused allowances. You would end up paying more tax for the two years together than if the income had been split evenly.

With a negative income tax, you would receive from the government some fraction of the unused allowances. If the fraction you received was the same as the tax rate on the positive income, the total tax you paid in the two years would be the same regardless of how your income was divided between them.

When your income was above allowances, you would pay tax, the amount depending on the tax rates charged on various amounts of income. When your income was below allowances, you would receive a subsidy, the amount depending on the subsidy rates attributed to various amounts of unused allowances.

The negative income tax would allow for fluctuating income, as in our example, but that is not its main purpose. Its main purpose is rather to provide a straightforward means of assuring every family a minimum amount, while at the same time avoiding a massive bureaucracy, preserving a considerable measure of individual responsibility and retaining an incentive for individuals to work and earn enough to pay taxes instead of receiving a subsidy.

Consider a particular numerical example. In 1978, allowances amounted to \$7,200 for a family of four, none above age 65. Suppose a negative income tax had been in existence with a subsidy rate of 50% of unused allowances. In that case, a family of four that had no income would have qualified for a subsidy of \$3,600. If members of the family had found jobs and earned an income, the amount of the subsidy would have gone down, but the family's total income — subsidy plus earnings — would have gone up. If earnings had been \$1,000, the subsidy would have gone down to \$3,100, and total income up to \$4,100. In ef-

fect, the earnings would have been split between reducing the subsidy and raising the family's income.

When the family's earnings reached \$7,200, the subsidy would have fallen to zero. That would have been the break-even point at which the family would have neither received a subsidy nor paid a tax. If earnings had gone still higher, the family would have started paying a tax.

We need not here go into administrative details — whether subsidies would be paid weekly, biweekly or monthly, how compliance would be checked and so on. It suffices to say that these questions have all been thoroughly explored; that detailed plans have been developed and submitted to Congress.

The negative income tax would be a satisfactory reform of our present welfare system only if it replaces the host of other specific programs that we now have. It would do more harm than good if it simply became another rag in the ragbag of welfare programs.

NEGATIVE TAX HELPS POOR

If it did replace them, the negative income tax would have enormous advantages. It is directed specifically at the problem of poverty. It gives help in the form most useful to the recipient, namely, cash.

It is general — it does not give help because the recipient is old or disabled or sick or lives in a particular area, or any of the other many specific features entitling people to benefits under current programs. It gives help because the recipient has a low income. It makes explicit the cost borne by taxpayers. Like any other measure to alleviate poverty, it reduces the incentive of people who are helped to help themselves.

However, if the subsidy rate is kept at a reasonable level, it does not eliminate that incentive entirely. An extra dollar earned always means more money available for spending.

Equally important, the negative income tax would dispense with the vast bureaucracy that now administers the host of welfare programs. A negative income tax would fit directly into our current income tax system and could be administered along with it. It would reduce evasion under the current income tax since everyone would be required to file income tax forms. Some additional personnel might be required, but nothing like the number who are now employed to administer welfare programs.

By dispensing with the vast bureaucracy and integrating the subsidy system with the tax system, the negative income tax would eliminate the present demoralizing situation under which some people — the bureaucrats administering the programs — run other people's lives.

It would help to eliminate the present division of the population into two classes — those who pay and those who are supported on public funds. At reasonable break-even levels and tax rates, it would be far less expensive than our present system.

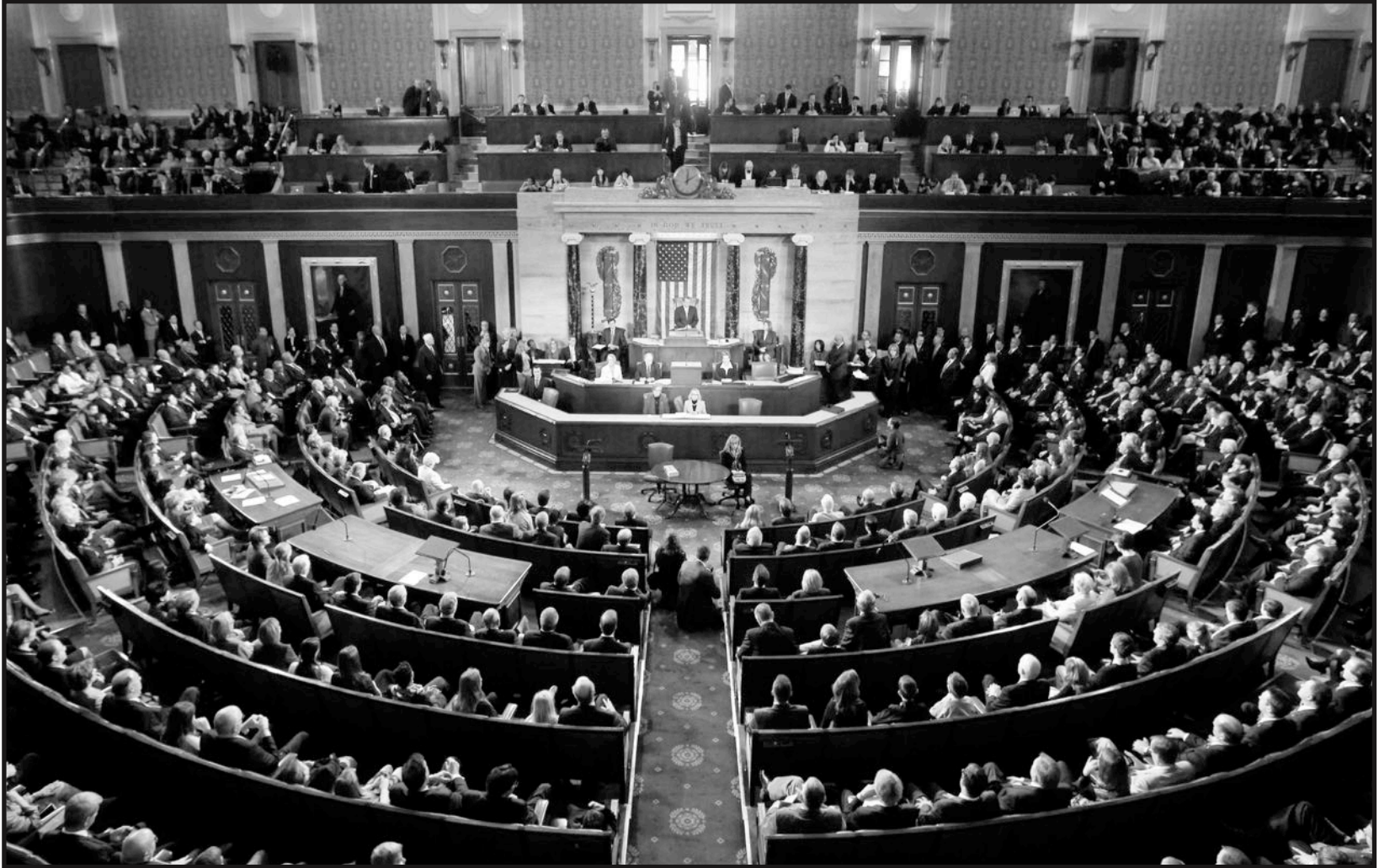
There would still be need for personal assistance to some families who are unable for one reason or another to manage their own affairs. However, if the burden of income maintenance were handled by the negative income tax, that assistance could and would be provided by private charitable activities. We believe that one of the greatest costs of our present welfare system is that it not only undermines and destroys the family, but also poisons the springs of private charitable activity.

HOW TO FIX SOCIAL SECURITY

Where does Social Security fit into this beautiful, if politically unfeasible, dream?

The best solution in our view would be to combine the enactment of a negative income tax with winding down Social Security while living up to present obligations. The way to do that would be:

1. Repeal immediately the payroll tax.
2. Continue to pay all existing beneficiaries under Social Security the amounts that they are entitled to under current law.
3. Give every worker who has already earned coverage a claim to those retirement, disability and survivors benefits that his tax payments and earnings to date would entitle him to under current law, reduced by the present value of the reduction in his future taxes as a result of the repeal of the payroll tax. The worker could choose to take his benefits in the form of a future annuity or government bonds equal to the present value of the benefits to which he would be entitled.
4. Give every worker who has not yet earned coverage a capital sum (again in the form of bonds) equal to the accumulated value of the taxes that he or his employer has paid on his behalf.
5. Terminate any further accumulation of benefits, allowing individuals to provide for their own retirement as they wish.
6. Finance payments under items 2, 3 and 4 out of gen-



eral tax funds plus the issuance of government bonds.

This transition program does not add in any way to the true debt of the U.S. government. On the contrary, it reduces that debt by ending promises to future beneficiaries. It simply brings into the open obligations that are now hidden. It funds what is now unfunded.

These steps would enable most of the present Social Security administrative apparatus to be dismantled at once.

The winding down of Social Security would eliminate its present effect of discouraging employment and so would mean a larger national income currently. It would add to personal saving and so lead to a higher rate of capital formation and a more rapid rate of growth of income. It would stimulate the development and expansion of private pension plans and so add to the security of many workers.

WHAT IS POLITICALLY FEASIBLE?

This is a fine dream, but unfortunately it has no chance whatsoever of being enacted at present. Three presidents — Presidents Nixon, Ford and Carter — have considered or recommended a program including elements of a negative income tax.

In each case, political pressures have led them to offer the program as an addition to many existing programs, rather than as a substitute for them. In each case, the subsidy rate was so high that the program gave little if any incentive to recipients to earn income.

These misshapen programs would have made the whole system worse, not better.

Despite our having been the first to have proposed a negative income tax as a replacement for our present welfare system, one of us testified before Congress against the version that President Nixon offered as the “Family Assistance Plan.”

The political obstacles to an acceptable negative income tax are of two related kinds. The more obvious is the existence of vested interests in present programs: the recipients of benefits, state and local officials who regard themselves as benefiting from the programs and, above all, the welfare bureaucracy that administers them. The less obvious obstacle is the conflict among the objectives that advocates of welfare reform, including existing vested interests, seek to achieve.

As Martin Anderson puts it in an excellent chapter on “The Impossibility of Radical Welfare Reform”:

“All radical welfare reform schemes have three basic parts that are politically sensitive to a high degree. The first is the basic benefit level provided, for example, to a family of four on welfare.

“The second is the degree to which the program affects the incentive of a person on welfare to find work or to earn more.

“The third is the additional cost to the taxpayers.

“To become a political reality, the plan must provide a decent level of support for those on welfare. It must contain strong incentives to work, and it must have a reasonable cost. And it must do all three at the same time.”

The conflict arises from the content given to “decent,” to “strong” and to “reasonable,” but especially to “decent.” If a “decent” level of support means that few if any current recipients are to receive less from the reformed program than they now do from the collection of programs available, then it is impossible to achieve all three objectives simultaneously, no matter how “strong” and “reasonable” are interpreted.

Yet, as Anderson says, “There is no way that the Congress, at least in the near future, is going to pass any kind of welfare reform that actually reduces payments for millions of welfare recipients.”

Consider the simple negative income tax that we introduced as an illustration in the preceding section: a break-even point for a family of four of \$7,200, a subsidy rate of 50%, which means a payment of \$3,600 to a family with no other source of support. A subsidy rate of 50% would give a tolerably strong incentive to work.

The cost would be far less than the cost of the present complex of programs.

However, the support level is politically unacceptable today. As Anderson says, “The typical welfare family of four in the United States now [early 1978] qualifies for about \$6,000 in services and money every year. In higher paying states, like New York, a number of welfare families receive annual benefits ranging from \$7,000 to \$12,000 and more.”

Even the \$6,000 “typical” figure requires a subsidy rate of 83.3% if the break-even point is kept at \$7,200. Such a rate would both seriously undermine the incentive to work and add enormously to cost.

The subsidy rate could be reduced by making the break-even point higher, but that would add greatly to the cost. This is a vicious circle from which there is no escape.

So long as it is not politically feasible to reduce the payments to many persons who now receive high benefits from multiple current programs, Anderson is right: “There is no way to achieve all the politically necessary conditions for radical welfare reform at the same time.”

However, what is not politically feasible today may become politically feasible tomorrow. Political scientists and economists have had a miserable record in forecasting what will be politically feasible. Their forecasts have repeatedly been contradicted by experience.

Our great and revered teacher Frank H. Knight was fond of illustrating different forms of leadership with ducks that fly in a V with a leader in front. Every now and then, he would say, the ducks behind the leader would veer off in a different direction while the leader continued flying ahead. When the leader looked around and saw that no one was following, he would rush to get in front of the V again. That is one form of leadership — undoubtedly the most prevalent form in Washington.

While we accept the view that our proposals are not currently feasible politically, we have outlined them as fully as we have, not only as an ideal that can guide incremental reform, but also in the hope that they may, sooner or later, become politically feasible.