

## POLK COUNTY LEGAL NOTICES

### --- PUBLIC SALES ---

#### FIRST INSERTION

#### SOLTERRA RESORT COMMUNITY DEVELOPMENT DISTRICT NOTICE OF ETHICS TRAINING WORKSHOP OF THE BOARD OF SUPERVISORS

Notice is hereby given that the Board of Supervisors ("Board") of the Solterra Resort Community Development District ("District") will hold a public workshop on **Wednesday, October 30, 2024 at 11:00 a.m.** at the **Solterra Resort Amenities Center** located at **5200 Oakmont Blvd., Davenport, FL 33837**.

The purpose of the workshop is to provide Supervisors with the opportunity to fulfill their State-mandated ethics training requirement for the calendar year and to discuss the new ethics training requirements applicable to Special District Supervisors, which may include, but is not necessarily limited to: the ethics training requirement set forth in Section 112.3142, Florida Statutes, Article II of the State Constitution, the Code of Ethics for Public Officers and Employees, and Florida's public records and open meeting laws. The Board of Supervisors will not take any action during the workshop.

A copy of the agenda for the workshop may be obtained at the offices of the District Manager, Vesta District Services, 250 International Parkway, Suite 208, Lake Mary, Florida 32746, Ph: (321) 263-0132 ("District Manager's Office"), during normal business hours.

The workshop is open to the public and will be conducted in accordance with the provisions of Florida law. The workshop may be continued to a date, time, and place to be specified on the record at the meeting. There may be occasions when Board Supervisors or District Staff may participate by speaker telephone.

Any person requiring special accommodation at the workshop because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at the public workshop is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

District Manager  
October 18, 2024 24-01477K

### --- PUBLIC SALES ---

#### FIRST INSERTION

#### NOTICE UNDER FICTITIOUS NAME LAW

**Pursuant to F.S. §865.09**  
NOTICE IS HEREBY GIVEN that the undersigned, desiring to engage in business under the fictitious name of International Believers Leadership Connection (IBLC), located at 5933 Velvet Loop, in the City of Lakeland, County of Polk, State of FL, 33811, intends to register the said name with the Division of Corporations of the Florida Department of State, Tallahassee, Florida.

Dated this 8 of October, 2024.  
MISSIONS FOR CHRIST  
MINISTRIES, INC.  
5933 Velvet Loop  
Lakeland, FL 33811  
October 18, 2024 24-01478K

#### FIRST INSERTION

#### Notice Under Fictitious Name Law According to Florida Statute Number 865.09

NOTICE IS HEREBY GIVEN that the undersigned, desiring to engage in business under the Fictitious Name of Breneman Construction - Kevtan LLC located at 211 E Main Street in the City of Lakeland, Polk County, FL 33801 intends to register the said name with the Division of Corporations of the Department of State, Tallahassee, Florida.

Dated this 14th day of October, 2024.  
Breneman Roofing LLC  
October 18, 2024 24-01480K

#### FIRST INSERTION

#### NOTICE UNDER FICTITIOUS NAME LAW PURSUANT TO SECTION 865.09, FLORIDA STATUTES

NOTICE IS HEREBY GIVEN that Lori Gettinger-Fiene / HEALTHSTAT INC will engage in business under the fictitious name MARATHON HEALTH, with a physical address 10 W MARKET STREET STE 2900 INDIANAPOLIS, IN 46204, with a mailing address PO Box 1433 Portsmouth, NH 03802, and already registered the name mentioned above with the Florida Department of State, Division of Corporations.

October 18, 2024 24-01479K

#### FIRST INSERTION

**Fictitious Name Notice**  
Notice is hereby given that C. VIL-LANUEVA COMPANY LLC, OWNER, desiring to engage in business under the fictitious name of FLORIDA DISTILLERS located at 530 N DAKOTA AVE, LAKE ALFRED, FLORIDA 33850 intends to register the said name in POLK county with the Division of Corporations, Florida Department of State, pursuant to section 865.09 of the Florida Statutes.

October 18, 2024 24-01482K

### --- ESTATE ---

#### FIRST INSERTION

#### NOTICE TO CREDITORS (Summary Administration) IN THE CIRCUIT COURT FOR POLK COUNTY, FLORIDA PROBATE DIVISION FILE NO. 2024CP003275

#### IN RE: ESTATE OF ABEL ORIHUELA Deceased.

TO ALL PERSONS HAVING CLAIMS OR DEMANDS AGAINST THE ABOVE ESTATE:

You are hereby notified that an Order of Summary Administration has been entered in the estate of ABEL ORIHUELA, deceased, File Number 2024CP0032750000XX, by the Circuit Court for Polk County, Florida, Probate Division, the address of which is 255 N. Broadway Ave, Bartow, FL 33830-3912, that the decedent's date of death was August 28, 2023, that the total value of the non-exempt estate is \$0.00 and that the names and addresses of those to whom it has been assigned by such order are:

Name	Property/Asset	Share/Amount
Jeffrey Orihuela (the former interest of Erendira Joya-Hernandez)	Exempt: Personal contents of 1260 Morgan Dr. Lakeland, FL 33801 belonging to the decedent Constitutionally exempt homestead: 1260 Morgan Dr. Lakeland, FL 33801 Lot 1, Block E, of WOODLAND ESTATES, according to the Plat thereof as recorded in Plat Book 39, Page 29, of the Public Records of Polk County, Florida. Together with a 25 foot vacated road easement on the North side thereof.	50% **Note: Erendira Joya-Hernandez has quitclaimed her interest in the homestead to Petitioner Jeffrey Orihuela, per Deed recorded in Official Records Book 13181, Page 954, Official Records Polk County, Florida. (attached to the Petition for Summary Administration as Exhibit B).
Jeffrey Orihuela (the former interests of Edira Orihuela-Joya)	Exempt: Personal contents of 1260 Morgan Dr. Lakeland, FL 33801 Constitutionally exempt homestead: 1260 Morgan Dr. Lakeland, FL 33801 Lot 1, Block E, of WOODLAND ESTATES, according to the Plat thereof as recorded in Plat Book 39, Page 29, of the Public Records of Polk County, Florida. Together with a 25 foot vacated road easement on the North side thereof.	10% **Note: Erendira Joya-Hernandez, as natural guardian for Edira Orihuela-Joya and as custodian for EDIRA ORIHUELA under the Florida Uniform Transfers to Minors Act, and Fla. Stat. 744.387(2) has quitclaimed her interest in the homestead to Petitioner Jeffrey Orihuela, per Deed recorded in Official Records Book 13181, Page 952, Official Records Polk County, Florida. (attached to the Petition for Summary Administration as Exhibit C).
Jeffrey Orihuela	Exempt: Personal contents of 1260 Morgan Dr. Lakeland, FL 33801 belonging to the decedent Constitutionally exempt homestead: 1260 Morgan Dr. Lakeland, FL 33801 Lot 1, Block E, of WOODLAND ESTATES, according to the Plat thereof as recorded in Plat Book 39, Page 29, of the Public Records of Polk County, Florida. Together with a 25 foot vacated road easement on the North side thereof.	10%
Leslie Orihuela	Exempt: Personal contents of 1260 Morgan Dr. Lakeland, FL 33801 belonging to the decedent Constitutionally exempt homestead: 1260 Morgan Dr. Lakeland, FL 33801 Lot 1, Block E, of WOODLAND ESTATES, according to the Plat thereof as recorded in Plat Book 39, Page 29, of the Public Records of Polk County, Florida. Together with a 25 foot vacated road easement on the North side thereof.	10%, less a credit to Jeffrey Orihuela for a proportionate 10% share in the court costs and legal fees in these probate proceedings. See Fla. Stat. 733.106(1-4) and Fla. Stat. 733.6171(4).
Abel Orihuela Jr.	Exempt: Personal contents of 1260 Morgan Dr. Lakeland, FL 33801 belonging to the decedent Constitutionally exempt homestead: 1260 Morgan Dr. Lakeland, FL 33801 Lot 1, Block E, of WOODLAND ESTATES, according to the Plat thereof as recorded in Plat Book 39, Page 29, of the Public Records of Polk County, Florida. Together with a 25 foot vacated road easement on the North side thereof.	10%, less a credit to Jeffrey Orihuela for a proportionate 10% share in the court costs and legal fees in these probate proceedings. See Fla. Stat. 733.106(1-4) and Fla. Stat. 733.6171(4).
Jessica Orihuela-Mendez	Exempt: Personal contents of 1260 Morgan Dr. Lakeland, FL 33801 belonging to the decedent Constitutionally exempt homestead: 1260 Morgan Dr. Lakeland, FL 33801 Lot 1, Block E, of WOODLAND ESTATES, according to the Plat thereof as recorded in Plat Book 39, Page 29, of the Public Records of Polk County, Florida. Together with a 25 foot vacated road easement on the North side thereof.	10%, less a credit to Jeffrey Orihuela for a proportionate 10% share in the court costs and legal fees in these probate proceedings. See Fla. Stat. 733.106(1-4) and Fla. Stat. 733.6171(4).

#### ALL INTERESTED PERSONS ARE NOTIFIED THAT:

All creditors of the estate of the decedent and persons having claims or demands against the estate of the decedent other than those for whom provision for full payment was made in the Order of Summary Administration must file their claims with this court WITHIN THE TIME PERIODS SET FORTH IN SECTION 733.702 OF THE FLORIDA PROBATE CODE. ALL CLAIMS AND DEMANDS NOT SO FILED WILL BE FOREVER BARRED. NOTWITHSTANDING ANY OTHER APPLICABLE TIME PERIOD, 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 October 18, 2024.

Natalia Ouellette-Grice, Esq., LCO Law LLC  
2901 W. Busch Blvd, Ste 805, Tampa, FL 33618  
(813) 480-2106  
natalia@lcolawfl.com LegalAdmin@lcolawfl.com  
Attorney for Plaintiff  
Fla. Bar No. 68905  
File 2687-PSA  
October 18, 25, 2024

24-01467K

#### FIRST INSERTION

#### NOTICE TO CREDITORS IN THE CIRCUIT COURT FOR POLK COUNTY, FLORIDA PROBATE DIVISION FILE NO. 24CP-3377 Division Probate IN RE: ESTATE OF BYRON H. BRATLIE Deceased.

The administration of the estate of Byron H. Bratlie, deceased, whose date of death was April 10, 2024, is pending in the Circuit Court for Polk County, Florida, Probate Division, the address of which is Post Office Drawer 9000, Bartow, Florida 33830. The names and addresses of the personal representative and the personal representative's attorney are set forth below.

All creditors of the decedent and other 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.

The personal representative has no duty to discover whether any property held at the time of the decedent's death by the decedent or the decedent's surviving spouse is property to which the Florida Uniform Disposition of Community Property Rights at Death Act as described in ss. 732.216-732.228, Florida Statutes, applies, or may apply, unless a written demand is made by a creditor as specified under s. 732.221, Florida Statutes.

All other 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 THE FIRST PUBLICATION OF THIS NOTICE.

ALL CLAIMS NOT FILED WITHIN THE TIME PERIODS SET FORTH IN FLORIDA STATUTES SECTION 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 October 18, 2024.

**Personal Representative:**  
/s/ Darryl C. Bratlie  
Darryl C. Bratlie  
635 Wiley Court  
Merritt Island, Florida 32952  
Attorney for Personal Representative:  
/s/ Charlotte C. Stone  
Charlotte C. Stone, Esq.  
Florida Bar Number: 21297  
Stone Law Group, P.L.  
123 US Hwy 27 North  
Sebring, Florida 33870  
Telephone: (863) 402-5424  
Fax: (863) 402-5425  
E-Mail: charlotte@stonelawgroupfl.com  
Secondary E-Mail: tami@stonelawgroupfl.com  
October 18, 25, 2024 24-01476K

#### FIRST INSERTION

#### NOTICE TO CREDITORS IN THE CIRCUIT COURT FOR POLK COUNTY, FLORIDA PROBATE DIVISION File No. 2024-CP-003433 Division PROBATE IN RE: ESTATE OF VICKIE LYNN FITE Deceased.

The administration of the estate of Vickie Lynn Fite, deceased, whose date of death was February 22, 2024, is pending in the Circuit Court for Polk County, Florida, Probate Division, the address of which is 255 N. Broadway Ave, Bartow, Florida 33830-3912. The names and addresses of the personal representative and the personal representative's attorney are set forth below.

All creditors of the decedent and other 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 demands against decedent's estate must file their claims with this court WITHIN 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 SECTION 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.

A personal representative or curator has no duty to discover whether any property held at the time of the decedent's death by the decedent or the decedent's surviving spouse is property to which the Florida Uniform Disposition of Community Property Rights at Death Act as described in sections 732.216-732.228, applies, or may apply, unless a written demand is made by a creditor as specified under section 732.221.

The date of first publication of this notice is October 18, 2024

**Personal Representative:**  
Vona L. Fite  
707 Husted St  
Wall, South Dakota 57790  
Attorney for Personal Representative:  
Justin M. Brick, Attorney  
Florida Bar Number: 0097824  
Bogin, Munns & Munns, P.A.  
1000 Legion Place  
Suite 1000  
Orlando, FL 32801  
Telephone: (407) 578-1334  
Fax: (407) 578-2280  
E-Mail: jbrick@boginmunns.com  
Secondary E-Mail: bmmsservice@boginmunns.com  
October 18, 25, 2024 24-01483K

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

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

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legal@businessobserverfl.com**

**Business  
Observer**



--- SALES ---

FIRST INSERTION

NOTICE OF FORECLOSURE SALE PURSUANT TO CHAPTER 45 IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT IN AND FOR POLK COUNTY, FLORIDA

CASE NO.: 2024CA000559000000 LAKEVIEW LOAN SERVICING, LLC,

Plaintiff, vs. SHEYLA IRIS ROSARIO VAZQUEZ; JOSE L. MONZON CANTERO; AQUA FINANCE, INC.; CITRUS LANDING OWNERS ASSOCIATION, INC.; UNKNOWN TENANT #1 N/K/A JOSE CANTERO JR.; ANY AND ALL UNKNOWN PARTIES CLAIMING BY, THROUGH, UNDER AND AGAINST THE HEREIN NAMED INDIVIDUAL DEFENDANT(S) WHO ARE NOT KNOWN TO BE DEAD OR ALIVE, WHETHER SAID UNKNOWN PARTIES MAY CLAIM AN INTEREST AS SPOUSES, HEIRS, DEVISEES, GRANTEEES, OR OTHER CLAIMANTS Defendant(s).

NOTICE IS HEREBY GIVEN that sale will be made pursuant to an Order or Final Judgment. Final Judgment was awarded on September 30, 2024 in Civil Case No. 2024CA000559000000, of the Circuit Court of the TENTH Judicial Circuit in and for Polk County, Florida, wherein, LAKEVIEW LOAN SERVICING, LLC is the Plaintiff, and SHEYLA IRIS ROSARIO VAZQUEZ; JOSE L. MONZON CANTERO; AQUA FINANCE, INC.; CITRUS LANDING OWNERS ASSOCIATION, INC.; UNKNOWN TENANT #1 N/K/A JOSE CANTERO JR.; ANY AND ALL UNKNOWN PARTIES CLAIMING BY, THROUGH, UNDER AND AGAINST THE HEREIN NAMED INDIVIDUAL DEFENDANT(S) WHO ARE NOT KNOWN TO BE DEAD OR ALIVE, WHETHER SAID UNKNOWN PARTIES MAY CLAIM AN INTEREST AS SPOUSES, HEIRS, DEVISEES, GRANTEEES, OR OTHER CLAIMANTS are Defendants.

TIES MAY CLAIM AN INTEREST AS SPOUSES, HEIRS, DEVISEES, GRANTEEES, OR OTHER CLAIMANTS are Defendants.

The Clerk of the Court, Stacy M. Butterfield, CPA will sell to the highest bidder for cash at www.polk.realforeclose.com on November 5, 2024 at 10:00:00 AM EST the following described real property as set forth in said Final Judgment, to wit:

LOT 127, CITRUS LANDING, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 181, PAGE 41, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

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.

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 Office of the Court Administrator, 255 N. Broadway Avenue, Bartow, Florida 33830, (863) 534-4686, at least 7 days before your scheduled court appearance, or immediately upon receiving this notification if the time before the scheduled appearance is less than 7 days; if you are hearing or voice impaired, call 711.

Dated this 8 day of October, 2024. ALDRIDGE PITE, LLP Attorney for Plaintiff 5300 West Atlantic Avenue Suite 303 Delray Beach, FL 33484 Telephone: 561-392-6391 Facsimile: 561-392-6965 By: Zachary Ullman FBN: 106751 Primary E-Mail: ServiceMail@aldridgepite.com 1091-2706B October 18, 25, 2024 24-01468K

SUBSEQUENT INSERTIONS

--- ACTIONS ---

FOURTH INSERTION

NOTICE OF ACTION IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT IN AND FOR POLK COUNTY, FLORIDA

CASE NO.: 2024-CA-002278 LISA MILLER and ROBERT MILLER, Plaintiffs, v. JAMES EARL DUNN, ROBIN JILL SESSIONS, and TERRY CLARK Defendants.

TO: JAMES EARL DUNN You are notified that an action for defamation has been filed against you and you are required to serve a copy of your written defenses, if any, to it on Elliott V. Mitchell, Esq. Clark, Campbell, Lancaster, Workman, & Airth, PA. plaintiff's attorney, whose address is 500 S. Florida Avenue, Suite 800, Lakeland, Florida 33801, (863) 647-5337, on or before 30 days from the first date of publication, and file the original with the Clerk of this Court either before service on the Plaintiff's attorney or immediately thereafter otherwise, a default will be entered against you for the relief demanded in the Complaint.

AMERICANS WITH DISABILITIES ACT. If you are a person with a disability who needs any accom-

modation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact The Polk County Clerk of Court at Polk County Courthouse, 255 N Broadway Ave., Bartow, FL 33830, (863) 534-4686, at least 7 days before your scheduled court appearance, or immediately upon receiving this notification if the time before the scheduled appearance is less than 7 days; if you are hearing or voice impaired, call 711.

DATED this 17 day of September 2024.

(COURT SEAL) STACY M. BUTTERFIELD POLK COUNTY, FL CLERK OF THE COURT By: /s/ Ashley Saunders As Deputy Clerk Default Date 10-25-24

Elliott V. Mitchell, Esq. Clark, Campbell, Lancaster, Workman, & Airth, PA. plaintiff's attorney 500 S. Florida Avenue, Suite 800 Lakeland, Florida 33801 (863) 647-5337 Sept. 27; Oct. 4, 11, 18, 2024 24-01403K

--- ESTATE ---

SECOND INSERTION

NOTICE TO CREDITORS IN THE TENTH CIRCUIT COURT IN AND FOR POLK COUNTY, STATE OF FLORIDA

FILE NO: 24-CP-002557 IN RE: ESTATE OF LINDA S. CONVIS, Deceased.

The administration of the Estate of LINDA S. CONVIS, deceased, whose date of death was March 21, 2024, File Number 24-CP-002557, is pending in the Circuit Court for POLK County, Florida, Probate Division, the address of which is Clerk of Court, PO Box 9000, Drawer CC-4, Bartow, FL 33831.

The names and addresses of the Personal Representative and the Personal Representative's attorney are set forth below.

All creditors of the decedent and other persons having claims or demands against decedent's Estate on whom a copy of this notice has been served must file their claims with this court WITHIN THE LATER OF 3 MONTHS AFTER THE DATE OF THE FIRST PUBLICATION OF THIS NOTICE OR 30 DAYS AFTER THE TIME OF SER-

VICE OF A COPY OF THIS NOTICE ON THEM.

All other 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 THE FIRST PUBLICATION OF THIS NOTICE. ALL CLAIMS NOT SO FILED WILL BE FOREVER BARRED.

NOTWITHSTANDING THE TIME PERIOD 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 the 11th day of October, 2024.

/s/ Kevin Matias KEVIN MATIAS Personal Representative

/s/ Kenneth Hutto Kenneth Hutto, Esq. Counsel for Personal Representative Florida Bar # 693847 842 S. Missouri Avenue Lakeland, FL 33815 (863) 662-0934 ken@huttoassociates.com October 11, 18, 2024 24-01460K

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Email your Legal Notice

legal@businessobserverfl.com

Deadline Wednesday at noon • Friday Publication





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

**M**ost 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.