The FairTax Act of 2019

Key Points Summary

116th Congress, House of Representatives Bill

HR 25

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GENERAL

- The **FairTax** is a proposed national retail **sales tax** (consumption tax) introduced to the 116th Congress in companion bill HR 25, short titled, ***FairTax Act of 2019***.

  •• The **FairTax Act** was **first introduced** to the 106th Congress in 1999 by Representative John E. Linder (sponsor), Republican, District 7, Georgia. Upon its introduction, it had equal bipartisan support with 1 Republican and 2 Democrat cosponsors. In 2003, Senator Saxby Chambliss, Republican, Georgia, introduced a companion version of the bill to the Senate which was identical to that presented to the House of Representatives (HOR). The FairTax bill has been reintroduced to every new Congress since 1999 (the Senate since 2003) where it continues to gain increasing congressional co-sponsorship. Unfortunately, it has remained confined to the House Committee on Ways and Means, which must vote it out of committee before a vote can be executed in the HOR. From the HOR, it goes to the Senate for a vote and, if passed, to the President for concurrence and enactment.

- The **sales tax will replace** all federal income, payroll, self-employment, alternative minimum, capital gains, estate, gift and corporate taxes.

- U.S. Code Title 26 - **Internal Revenue Code**, Subtitle A (Income Taxes), Subtitle B (Estate and Gift Taxes), Subtitle C (Employment Taxes), and Subtitle H (Financing of Presidential Election Campaigns) are repealed in their entirety and replaced with "**Subtitle A - Sales Tax**."

- The legislation **does not eliminate** other forms of federal taxation (tariffs, duties, imposts, excises, etc.) nor direct any changes to federal expenditures with the exception of **defunding the IRS within 3 years**.

- The sales tax will be **assessed on** the consumption or use of all of **taxable properties (products) and services** purchased in the United States or imported to the United States except as specified below for personal consumption.

  •• Generally, **new properties and all services are taxable** unless otherwise excluded as described herein.

  •• A **used property** is one for which the sales tax has been paid and no credit subsequently taken, or it can be any property purchased before the implementation of the FairTax and held (used) for other than a business purpose.

  •• A property purchased before the implementation of the FairTax and used in a business, or a property excluded from the sales tax after implementation of the FairTax (**intermediate sale**), is not considered a used property. Any subsequent sale of such property to a consumer for private consumption will require a collection of the sales tax at a **fair market value (FMV)** of the property.

  •• Taxable properties and services are assessed the federal **sales tax once and only once**.

●● Properties **purchased abroad and imported** into the United States for personal consumption (not for trade or business) will be exempted from the assessment of the sales tax where the purchase of the properties do not collectively exceed an annual (calendar year) amount of $400 (**De Minimis Payment**).

●● Any properties or services imported for personal consumption exceeding an annual total of **$400** will have the sales tax (30%) assessed on the purchase price (or fair market value) of the imported property or service. (Likely to be collected directly by U.S. Customs or through one of its authorized agents - the U.S. Post Office or other package delivery company providing international deliveries.)

●● **Casual or isolated sales** not connected with a trade or business can annually (calendar year) exempt up to $1,200 in sales (**De Minimis Sales**).

- The sales tax is a '**destination principle tax**,' meaning it will be collected by (or for) the state in which the goods or services are delivered, located, or consumed.

- The person purchasing a taxable property or service is **liable for the sales tax**, but that liability ceases when the sales tax is paid to the seller and the purchaser is provided a receipt indicating the payment.

- Government entities not qualifying as a '**government enterprise**' and employers who are the final consumers of an employee's services, such as employers of domestic servants, are deemed '**taxable employers**.' As such, the employer is responsible for remitting the sales tax for services rendered to them by their respective employees.

●● Government employees of government enterprises and government employees providing direct educational services to the public, i.e., teachers, instructors, and professors, are excluded from the taxable employer assessment.

- Tax liability for **barter transactions** remains the same as if the transaction had been made with money.

- A **sales tax rate** has been selected that will produce, mathematically, a **revenue neutral** result; meaning it will collect a net revenue amount equal to the combined net result of those taxes it replaces.

●● The sales tax rate and projected revenue-neutral result are based on existing economic data and do not reflect anticipated increases in tax revenues resulting from a favorable response to the sales tax.

- The initial sales tax rate will be **23% inclusive** which yields a **30% exclusive** rate.

●● **Inclusive Rate** = Sales Tax / Property or Service Price + Sales Tax; **Exclusive Rate** = Sales Tax / Property or Service Price.

●● The '**inclusive**' term, among other reasons, is used to maintain continuity with the rates applied to the taxes replaced by the sales tax; i.e., a 25% marginal income tax rate is an inclusive rate that yields a 33.3% exclusive rate.

- The term '**gross amount'** as used in the bill refers to the price of the property or service + the sales tax.

- The '**Combined Federal Tax Rate Percentage'** will be sum of the **general revenue rate** (set at 14.91%), the **Old Age Survivors and Disability Insurance (OASDI) rate** (6.31%), and the **Hospital Insurance (HI) rate** (1.78%).

  ●● The sum of the General Fund rate, the OASDI Fund rate, and the HI Fund rate equals the sales tax rate, 23% for 2021. The OASDI and HI rates included in the sales tax are designed to collect the same amount of revenues as currently collected through payroll taxes (exclusive of the 0.9% high-income rate added to individual incomes exceeding $200,000 ($250,00 Joint).

- The sales tax revenues remitted to the U.S. Treasury will be **allocated** for tax year 2021 as follows: **64.83% General Fund**; **27.43% OASDI**; and **7.74% HI and Federal Supplementary Medical Insurance**.

  ●● For every $1 collected in sales tax revenues, approximately $.65 will go to the General Fund, $.27 to Social Security (OASDI), and $.08 to Medicare (HI).)

- The **Internal Revenue Service** will be **defunded within 3 years** and replaced with a '**Sales Tax Bureau'** responsible for administering the sales tax and providing federal oversight of the revenue system. An '**Excise Tax Bureau'** will also be included to administer excises not under the authority of the Bureau of Alcohol, Tobacco and Firearms.

- The sales tax will be collected and enforced principally by **Sales Tax Administering Authorities** in each state that will remit the collected tax revenues from within their respective jurisdictions to the U.S. Treasury.

- The bill contains a '**Sunset Clause'** mandating that all provisions of the Act, and any subsequent amendments to it, be eliminated if the 16th Amendment to the U.S. Constitution is not repealed by the 7th year after the date of enactment of the FairTax.

FAMILY CONSUMPTION ALLOWANCE (FCA) AND REBATE

- To reduce or eliminate the regressive effects of a consumption tax, a **rebate** (aka '**prebate**') is issued on or before the first business day of each month to legally residing individuals or families having annually, and voluntarily, registered for the rebate with their State Sales Tax Administering Authority. (See attached **FairTax Rebates Schedules for 2019**.)

  ●● The rebate is available to all legal residents in lieu of tax deductions, exemptions, and credits that are normally associated with income-based taxes.

  ●● The rebate is paid in amounts based on family size and is not affected by actual income or expenditure amounts.

- A qualified rebate recipient must have a valid Social Security number, be a lawful resident of the U.S., not be incarcerated, and meet all other legal dependency qualifications for an individual or lineal family member.

- The monthly rebate amount is calculated from the 'annual poverty level' which is based on the '**Poverty Guidelines**' published annually by the **Department of Health and Human Services (DHHS**).

●● In households with either a single adult or a single adult with qualifying dependents, the DHHS Guideline reflects the same income amounts per family size as reflected for the respective single adult FCA and Rebate chart.

●● The **rebate calculation** for a single adult family is computed by, first, determining the number of qualified persons in the lineal family and then, identifying the respective annual poverty level (DHHS Poverty Guideline) amount. The annual FCA amount, which in the single adult case is the same as the DHHS published guideline amount, is divided by 12 to find the 'monthly poverty level' amount. The monthly amount is then multiplied by the sales tax rate (23%) to determine the amount of tax that would have been paid for taxable purchases up to the monthly poverty-level amount. It is this amount that is then rebated (aka 'prebated') to the individual or family.

●● The FairTax removes the **marriage penalty inherent to the DHHS Poverty Guidelines,** thus increasing the FCA and rebate to married couples. This is accomplished by, first, doubling the 1-person (adult) amount indicated in the DHHS Guideline chart. Next, subtract the Guideline amount indicated for two people from the product obtained in the first step. The difference between the two in the preceding step is the 'marriage penalty amount.' This is the amount that is added to each indicated amount in the Guideline for the increasing numbers of persons in the family, starting with the 2-person amount. The sums from the preceding step reflect the 2-adult, annual poverty level amounts. From this point, the calculation to determine the monthly rebate is the same as described above for the single-adult family.

●● The monthly rebate will eliminate the sales taxes inclusive to the gross amount for purchases that are equal to or less than the monthly FCA (poverty level amount). Therefore, every qualifying individual or family, and regardless of income, has a zero percent or less annual, effective tax-rate until the gross amount of their taxable purchases exceeds their respective FCA (poverty level amount).

●● The purchase of used properties on which there are no sales taxes imposed can substantially help individuals and families further reduce their annual, effective tax-rate.

- The rebate will be issued by the Social Security Administration via a '**Direct Express Card**' or via direct **electronic deposit** to the account of the individual or individuals so designated for receipt within the lineal family that are 18 years of age or older.

ADMINISTRATION

- The States will be offered the opportunity to administer and enforce the sales tax as a '**Sales Tax Administering Authority**' also referenced as an '**Administering State**'.

- Administering States will be authorized to retain **0.25%** of all the sales tax revenues they collect as an '**administration fee'** for services rendered.

- States not acting as an administering authority may contract with an Administering State to act as their administering authority, but only as authorized subsequent to coordination with the Secretary of the Treasury (hereafter addressed as the '**Secretary**').

- The Secretary will administer the sales tax in those **States void of a sales tax administering authority.**

- Administering States will have 5 days from the receipt of remitted sales taxes to remit the same to the U.S. Treasury.

- A State sales tax imposed by a State with the same definition for taxable properties and services as that defined for the national retail sales tax (FairTax) will be recognized as a '**Conforming State Sales Tax**.'

- Conforming States, that is, States with a conforming State sales tax that have entered into a **conforming agreement** with the Secretary, will be able to collect conforming State sales taxes from sellers in both conforming and nonconforming States. In other words, products and services sold by sellers in another State, as with internet sales, may be taxed by the State into which the property or service is delivered for consumption or use.

- The Secretary is authorized to maintain a **program of awards** for payment to those individuals assisting the Secretary in the discovery or prosecution of persons committing tax fraud.

- In **tax disputes**, the burden of document production and records falls upon the person in dispute with the Secretary or administering authority, but the burden of persuasion rests with the Secretary or administering authority.

- In tax disputes, the person engaged in the dispute with the Secretary or administering authority shall be entitled to reasonable attorneys' fees, accountancy fees, and other professional fees incurred unless the Secretary or administering authority establishes that its position was reasonably justified.

  ●● The two previous bullets provide, in effect, a **Taxpayer Bill of Rights** that better protects the rights of the taxpayer as compared to that under the present income-based tax system

- The FairTax bill contains a detailed listing of tax reporting and remitting violations and the penalties, both criminal and civil, that may be imposed in consequence to tax law violations.

BUSINESSES

- Businesses will register (**registered seller**) with the sales tax administering authority and receive an **Intermediate and Export Sales Certificate,** which will exempt the registered seller from paying taxes on products and services purchased to produce their respective product or service (business-to-business purchases). Registered sellers selling products and services at retail will also be issued a **'vendor registration number'**.

- All sales, except as stated below, shall include a **receipt** to the customer that reflects the property or service price exclusive of the sales tax; the amount of tax paid; the gross amount paid; the inclusive tax rate; the date of the sale; the vendor's (company) name; and the vendor's registration number.

- **Vending machines** dispensing individual items priced less than $10 are not required to provide a receipt to the purchaser. (However, the sales tax is inclusive to the vending price and remitted by the vendor to the sales tax administering authority the same as with any other retail sale.)

- Any registered seller collecting less than $20,000 in tax revenues in any of the previous 12 months is designated a '**small seller**.'

- Any registered seller collecting $100,000 or more in sales tax revenues during any of the previous 12 months is designated a '**large seller**.'

- All registered sellers of properties and services must **submit a report** by the 15th of each month indicating the gross payments received in the previous calendar month, taxes collected, any credits, and all other information that may be required by the administering authority or Secretary.

- All sellers that are **not large sellers** must remit collected taxes to the administering authority by the 15th day of the month following the month in which the tax is collected.

- **Large sellers** shall **remit collected taxes** to a separate segregated (bank) account on the first business day following the previous calendar week in which the revenues were received.

  ●● The separate segregated (bank) account, accessible by the administering authority for the collection of deposited revenues, will be maintained and paid for (if payment required) by the large seller.

- **Large sellers** will be required to keep a **security** for taxes in the form of a cash bond, a bond from a Secretary-approved surety company, a certificate of deposit, or a U.S. Treasury or State Bond. The security will be in an amount that is the greater of $100,000 or 1.5 x the average monthly tax liability as calculated from the sum of the previous 6 months of collected tax revenues.

- **Financial intermediation service providers** will collect and remit taxes for both **explicitly and implicitly charged fees**.

  ●● The **sales tax on explicit fees** (closing costs, account manager fees, loads, sales commissions, etc.) will be assessed on the amount of the explicit fee.

  ●● **Implicit fees** are servicing fees typically included in interest accounts such as debt obligations (loans) and interest-bearing investment (savings) accounts. The service fees are included over the life of the account. Implicit fees for loans are included in the loan and contribute to its rate, while implicit fees for interest-bearing investment accounts result in a reduced interest rate paid to the account holder.

  ●● The **sales tax for implicit fees**, specifically those inclusive to **debt obligations**, will be assessed on the amount difference between the interest rate charged by the financial intermediation service provider and the amount that would have resulted from the applicable federal short-, mid-, or long-term interest rate (this is the implicit fee). The tax would likely be assessed monthly and calculated: (((Charged Interest Rate % – Applicable Fed Rate %) x Principal Balance))/12))) x 0.23))). The implicit fees and consequential sales tax would be inclusive to the monthly loan payment, the same as such fees and embedded taxes (income, payroll and corporate taxes) are included today.

  ●● The sales tax is not assessed on interest bearing (savings) accounts where the interest paid exceeds the applicable federal short-, mid-, or long term rate. However, were a financial intermediation service to pay out less interest than the more favorable rate it was receiving through the federal interest rate then, the service provider would have to pay tax on the difference and impose a direct or indirect tax consequence on the account holders. This is a highly unlikely scenario under the FairTax the same as it is unlikely today.

•• Financial intermediation services (banks, credit unions, brokerage firms, insurance companies, etc.) providing **routine statements** on a frequency of quarterly or less, may, in lieu of a receipt, defer to those statements to **reflect the taxes paid by the consumer** for the last reporting period .

- Businesses (and the self-employed) shall continue **reporting earnings** for their employees (up to $5,000 for tips) to **the Social Security Administration** for the purpose of accumulating **benefit credits**.

- **Price Discounts** extended to employees or their family members for properties or services that exceed 20% of the amount extended to the general public will be assessed the sales tax on the amount over 20%. This, in addition to the remaining balance for the property or service.

- The **substance of a transaction will prevail over its form** if the transaction has no bona fide economic purpose and is designed to evade the sales tax. In other words, giving something (form) to someone that serves more to a personal consumption than a business purpose (substance), then it is a taxable item and not a bona fide business expense.

- **Gross income to foreign entities** arising from the sale or lease of properties or services in the United States will be taxed and deducted from the gross amount of payments, excluding any taxes applicable to portfolio debt investments or where such action is contrary to Tax Treaty agreements.

GAMING

- A **chance** (wager, bet, lottery ticket, etc.) alone is **not a taxable property or service**.

- **Taxable gaming services** are defined as the 'gross receipts' from the sale of chances minus the sum of total gaming payoffs and any other gaming specific taxes imposed by the Federal, State or local government.

- A 23% **tax will be assessed on the gross receipts** of gaming services and payable to the administering authority by the 15th day of the month following the month in which the taxable services were provided.

EXCLUSIONS AND EXEMPTIONS

- **No tax shall be imposed** on any taxable property or service **purchased for a business purpose** in a trade or business, including that which is used for **research, experimentation, testing and development.**

- **No tax** will be assessed on the **tuition** applicable to qualifying **primary, secondary and postsecondary educational services or job-related training services.**

- The taxable employer assessment will **not be imposed** on the payroll amounts for those government **employees providing 'direct' educational services (to the public).**

- **No tax** shall be imposed on any taxable property or service **purchased for an investment purpose** and held exclusively for appreciation or the production of income, but entailing no more than minor personal efforts. **Example:** A developer builds a mall and then leases spaces in the mall to retail sellers. In this case, the mall is an investment and produces income to the developer (with minimal continuing effort). The developer is then exempt from taxes on the construction of the mall and the income produced from the leasing of the mall spaces. This is because the retailers who lease the spaces in the mall and who sell taxable products and services will, in effect, collect all the applicable taxes from their sales to customers to cover the building of the mall and subsequent leasing costs to the retailers. It also eliminates embedded and cascaded taxes.

- **No tax** shall be imposed on **State government functions** that do not constitute the final consumption of property or services (Intergovernmental Immunity).

  •• This does not preclude the Federal Government from taxing the services provided by an individual to any government. **Example** - The service provided by an individual to the municipal police department as a police officer is taxable by the Federal Government, but the service of the police department to the public is not taxable by the Federal Government (intergovernmental immunity). Thus, the police department is a taxable employer and the sales tax is assessed on the payroll of the police department. This is somewhat analogous to the income and payroll taxes paid by the police department to the Federal Government today.

- No Tax shall be imposed on **intangible property** (excluding rents or leases of any term and computer software) deemed intangible at common law. Where differences exist among the States, the Secretary shall, by regulation, resolve the differences.

- A **'De Minimis Payment'** clause allows for up to $400 in individual purchases in a calendar year that may be imported and consumed by the same person, but not in connection with a trade or business.

- A **'De Minimis Sale'** clause allows for the receipt of up to $1,200 in a calendar year that is not received in connection with a trade or business, but for casual or isolated sales.

- A **'De Minimis Sale of Financial Intermediation Services'** clause provides a $10,000 gross payment exemption ($2,300 sales tax exemption) on the sale of financial intermediation services, but only to those sellers not deemed a 'large seller.'

CREDITS AND REFUNDS

- The **'Business Use Conversion Credit'** provides a means to recoup a portion of the taxes paid for a property or service subsequently transitioned to business use in a trade or business.

  •• The reverse applies, and at fair market value (FMV), for any property or service converted from a business use to a personal consumption use.

- The **'Mixed Use Property or Services Credit'** can be claimed for that portion of a property or service used for both private and business use.

- The **'Intermediate and Export Sales Credit'** is used to recoup taxes paid on items for business purposes or for items exported for consumption outside the United States.

- The **'Administration Credit,'** like that rendered to Administering States, rewards (retail) businesses promptly reporting and remitting taxes with a credit amounting to the greater of $200 or 0.25% of the taxes to be remitted, but no more than 20% of the amount of taxes due before the application of any credit.

- The **‘Bad Debt Credit’** provides a means to recoup that portion of taxes paid by a business for a purchase upon which the buyer fails to remit the balance of payments (generally in arrears more than 180 days).

- The **‘Insurance Proceeds Credit’** is available to either the insurer (insurance company) or the insured for the amount of tax that would be inclusive to the amount of benefit paid to or on behalf of the insured; assuming that the insured paid the sales tax in the insurance premiums.

  •• In other words, the insurer can pay the insured (likely a business in this case) a reduced benefit amounting to 77% of the total benefit and the insured report a credit for the tax amount, or the insurer can pay the insured the full benefit and the insurer claim the credit. In both cases, the premiums paid for the benefit must have included the sales tax.

  •• If **properties or services are purchased by the insurer** for the insured, and the sales tax is not paid for those purchases (for example, a windshield replacement by the insurer using an intermediate sales tax exemption), then neither the insured nor the insurer may claim the credit.

- The ‘**Transitional Inventory Credit’** is applicable for the first year after implementation of the sales tax. It may be used by the retail seller for all properties in inventory or ‘work-in-progress’ until such inventory or work is either sold or the year has expired.

  •• This credit allows the retailer, immediately after implementation of the FairTax, to continue selling properties in work or inventory at the pre-FairTax price; i.e., the seller will report the sales tax on the sale of affected properties and take a credit for the same resulting in a zero monetary transaction and no additional cost to the consumer or seller.

- Registered sellers or other persons making an overpayment of the sales tax may apply for a **refund** in a form to be provided by the sales tax administering authority.

GOVERNMENTS (Federal, State and Local)

- **All governments**, excluding those entities designated a government enterprise, will pay the sales tax on the purchases of taxable properties and services.

- A **government enterprise** is an agency of any government that provides properties and services for which the consumer (public or other government agency) renders a payment. The U.S. Post Office, local government utility services, and parks operating on a pay-as-you-go fee are examples of government enterprises.

- **Government enterprises** will collect the tax on the sale of properties and services and **enjoy the same exemptions, credits and refunds** extended to a commercial trade or business.

- To **maintain government enterprise status** and enjoy trade and business benefits, the enterprise must receive, in any quarter, more than $2,500 in revenues ($10,870 gross amount with a 23% sales tax rate).

- Government enterprises will be required to keep separate books of account and maintain them in accordance with **Generally Accepted Accounting Principles (GAAP).**

- **Subsidies** transferred to any government enterprise shall be assessed the sales tax, less the fair market value of any consideration (consideration is an item given in exchange).

- Purchases from a government enterprise by a government entity that is not a government enterprise shall include the sales tax. Example: The state Department will pay the sales tax on the purchase of stamps from the U.S. Post Office.

- **Transfers of properties and services** from a government enterprise to a non-enterprise government agency, and upon which the tax was not paid by the enterprise, will require the tax to be assessed on the property or service at the FMV.

- A tax equal to the sales-tax exclusive rate will be assessed on the payroll of all government employees for services rendered to the government (**taxable employer**), excluding those payroll amounts for government enterprise employees and educators providing 'direct' educational services (to the public).

SOCIAL SECURITY

- All employers are required to **report employee wages and self-employment income** to the Social Security Administration for the accumulation of the employee's **benefit credits**.

- **Tips** in an annual amount not to exceed **$5,000** may be reported for the accumulation of benefit credits.

- If, after implementation of the FairTax, the computation of the Consumer Price Index (CPI) does not include the sales tax in either the base or cost-of-living quarter, then the quarter omitting the tax will have the computed CPI multiplied by, (1 + (.23/(1-.23)), which represents the '**CPI increase percentage'**. This will also provide, in the first cost-of-living quarter after implementation of the FairTax, a sales tax inclusive CPI to be compared with a non-sales tax inclusive CPI from the base quarter prior to implementation of the FairTax. The CPI increase percentage will serve to protect the purchasing power of Social Security beneficiaries following implementation of the FairTax.

NOT-FOR-PROFIT ORGANIZATIONS

- **Qualified not-for-profit organizations** will enjoy tax exempt benefits similar to those allowed under the current tax system.

- Not-for-profit organizations meeting applicable qualifications will be issued a '**qualification certificate,'**' which may be used to make tax-exempt purchases to operate, maintain, and provide the qualifying services of the organization.

- Taxable properties or services provided by a qualified not-for-profit in connection with contributions, dues, or other similar payments will be treated as the provision of a taxable property or service, and the sales tax will be imposed on the property or service at the fair market value. (**Example:** A not-for-profit organization whose tax exempt purpose is to feed children, gives a hat to those who donate to the organization. When the organization buys the hats for its contributors, the organization will pay the sales tax on the purchase of the hats which is a taxable item that is provided outside the organization's qualifying tax-exempt function.)

HOBBIES

- **Hobbies** become **a taxable business** when, in any 2 of 3 consecutive calendar years, sales from the hobby exceed the sum of taxable purchases for the hobby, wages or salaries paid for the hobby, and any taxes paid for the hobby.

CONCLUSION

- To gain a more thorough understanding of the FairTax and the details not addressed in this overview, please refer to the 131-page bill available in multiple formats at www.congress.gov. On the website homepage, type into the large search bar, **HR 25**.

2019 Contiguous States & Washington DC FCA and Rebates

Qualified Family Size	1 Adult FairTax FCA Guideline	Annual Monthly Rebate	2 Adults Married FCA Guideline	Annual Monthly Rebate
	$12,490	$2,873 $239	$24,980	$5,745 $479
+1 Person	$16,910	$3,889 $324	$29,400	$6,762 $564
+2 Persons	$21,330	$4,906 $409	$33,820	$7,779 $648
+3 Persons	$25,750	$5,923 $494	$38,240	$8,795 $733
+4 Persons	$30,170	$6,939 $578	$42,660	$9,812 $818
+5 Persons	$34,590	$7,956 $663	$47,080	$10,828 $902
+6 Persons	$39,010	$8,972 $748	$51,500	$11,845 $987
+7 Persons	$43,430	$9,989 $832	$55,920	$12,862 $1,072
>7 Persons Add for Each	+ $4,420	$1,017 $85	+ $4,420	$1,017 $85

2019 Alaska Family Consumption Allowance and Rebates

Qualified Family Size	1 Adult FairTax FCA Guideline	Annual Monthly Rebate	2 Adults Married FCA Guideline	Annual Monthly Rebate
	$15,600	$3,588 $299	$31,200	$7,176 $598
+1 Person	$21,130	$4,860 $405	$36,730	$8,448 $704
+2 Persons	$26,660	$6,132 $511	$42,260	$9,720 $810
+3 Persons	$32,190	$7,404 $617	$47,790	$10,992 $916
+4 Persons	$37,720	$8,676 $723	$53,320	$12,264 $1022
+5 Persons	$43,250	$9,948 $829	$58,850	$13,536 $1,128
+6 Persons	$48,780	$11,219 $935	$64,380	$14,807 $1,234
+7 Persons	$54,310	$12,491 $1,041	$69,910	$16,079 $1,340
>+7 Persons Add for Each	+ $5,530	$1,272 $106	+ $5,530	$1,272 $106

2019 Hawaii Family Consumption Allowance and Rebates

Qualified Family Size	1 Adult FairTax FCA Guideline	Annual Monthly Rebate	2 Adults Married FCA Guideline	Annual Monthly Rebate
	$14,380	$3,307 $276	$28,760	$6,615 $551
+1 Person	$19,460	$4,476 $373	$33,840	$7,783 $649
+2 Persons	$25,540	$5,644 $470	$38,920	$8,952 $746
+3 Persons	$29,620	$6,813 $568	$44,000	$10,120 $843
+4 Persons	$34,700	$7,981 $665	$49,080	$11,288 $941
+5 Persons	$39,780	$9,149 $762	$54,160	$12,457 $1038
+6 Persons	$44,860	$10,318 $860	$59,240	$13,625 $1,135
+7 Persons	$49,940	$11,486 $957	$64,320	$14,794 $1,233
>+7 Persons Add for Each	+ $5,080	$1,168 $97	+ $5,080	$1,168 $97