

BOOKNOTES  
BRIAN P. LAMB  
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# Perfectly Legal

THE COVERT CAMPAIGN TO RIG OUR TAX  
SYSTEM TO BENEFIT THE SUPER RICH—  
AND CHEAT EVERYBODY ELSE

David Cay Johnston

766. David Cay Johnston  
Perfectly Legal: The Covert Campaign to Rig our Tax System to  
Benefit the Super Rich - and Cheat Everyone Else

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Arvin had  
little to give P 12

~~Frank Senty~~  
~~death tax~~  
tax relief

Journal Tax Notes

Arvin Schiff  
Frank Senty

who gets audited  
low rates at IRS  
remain secret unless  
taxpayer sues.

- Roberto Goizqueta
- Nick Jenson - P 194
- Peter Kellogg P 187
- Jerry Cummings P 169
- Charles Rosotti P 157
- William Roth - P 145
- Thomas and Brady Toth a
- Jack Welch - P 59
- Fanny McAniff
- John Snow

Jonathon Blattmacher - Blott-mach-ur

March 1990

include - social sec. / medicine  
gasoline - beer - etc.

never heard before a tax committee

charitable remainder trusts

political donor class

(Accelerated Charitable Remainder  
son of Trust)

Charitable mortgage deductions

2003 - 9000 private jets

1973 to 2002 - 1 dollar to 4.04

average wage flat or declined

GI Bill

Interstate Highway

Home mortgage (30 yrs.)

for magazine - Howard Business Review - gives  
control to what it writes to the subject

Plane perks - Jack Welch - B. 737 Business jet 50 mil.

9000 corp jets today

What's the true cost of flying corp - P 59

Peter Kellogg - 501(c)(15) tax exempt insurance for  
farmers

he escaped 190 million in taxes in 2003 - P 187

IRS in 2003 acknowledged - never auditing any  
of the 1400 non profit firms - Corp.

The diff score - what is relied for audits

Republican vs. Dems. -

Dems raised social sec. tax 13-fold and P 299  
exempted salaries above 84,000 as of 2003

income vs. sales tax

flat tax

3 out of 4 now pay more in social security  
than they do in income taxes P 119

number on debt and social security taxes P 123

The Stealth Tax -  
When tax cuts are in effect 2000 head of  
bottom 95% will go up 3.5% but for top  
5% it will fall 3.5% p94

### The Alternative Minimum Tax

In 1987 - only 140,000 income tax returns  
required AMT = \$1.7 Billions

Jerry Tempalski prediction on AMT p111  
By 2008 it will cost more to repeal it  
950 B in 2003

Top police - Bill Roth p146

Top Money. IRS raid in 1994  
1998 IRS reform act

Ten Deadly Sins

Charges of IRS abuse at hearing did not stand up p156

Insurance tax Dodge - Blattmachr p264

Private letter ruling

tax shelter laws only apply to income taxes not  
gift or estate taxes

the exchange fund - stock sale must pay tax  
unless defen it under secret plans - set  
up a stock pool.

William E. Gray - fund because of tax dodge

Ernst and Young - sued for its tax shelter p271  
what are opinion letters



# Perfectly Legal

In 2002 - IRS audited 744,000 more than  
half filed by working poor

Retirement - John Snow p 282

Rochester Telephone - Frontier sells to Global Crossing

Political money from Global p 290

McAuliffe - 100,000 in stock to 1.6 million



#10 investment partnerships - p 120

letter from a lawyer may cost 1 mil.

credit 1 in 400

2 million partnerships  
in US.

Jerry Curnutt -

IRS partnership specialist

earned income tax credit

partnership do not pay taxes

IRS doesn't require matching of partnership returns  
to individual K-1's

former IRS officials (and by companies)

Rozziti - could not rely on the honesty  
of people preparing tax returns - either people  
or accountants

Curnutt retired in 2000 - became consultant  
to states to help find tax partnership tax cheats -  
not many taken - Penn.

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Chap 17 Profits Trump Patriotism P229

Top Haven Bermuda / Cayman / Panama

Kate Barton - Ernest Young's Boston office  
Internet conf on off shore tax shelter

Bush's Harkin Energy 89' - offshore subsea

Cheney - Halliburton - 20 sub. in Cayman

Mail drops

Stanley Works - Hartford -

John Train RGE.

Bermuda maildrop - laid off 4500  
moved to China

Stanley Works stopped its move to Bermuda  
GOP as Dems in Congress over off-shore