

The entire wording of the First tax code shall be as follows

First Tax Code

An Act to provide a tax structure to the new currency system.

Preamble:

Whereas the People of Rome now have an established currency;

Whereas the Treasury has an interest in providing an income for the Roman Government;

Therefore the President, by and with the advice and consent of the Legislature, enact as follows:

Section 1: Taxation of Income

1. Be it established from this day forward, all incomes received by citizens of democraciv shall be taxed at a rate of 5%
 - a. Income will be defined as money ~~given~~**received** as compensation for goods or services rendered **less interest paid on loans provided by financial institutions¹**.
 - b. This tax shall be paid by the first Monday of every month.
2. Tax is to be self reported and documented with the treasury
 - a. Failure to pay the income tax can result in forfeiture of assets as well as fines and penalties outlined in the penal code

Section 2: Taxation of Corporations

1. Whereas corporations are not considered people, all corporate incomes received by citizens of democraciv shall be taxed at a rate of 1%
 - a. Income will be defined as money ~~given~~**received** as compensation for goods or services rendered, **less costs and deductible expenses:**
 - i. **Costs are defined as purchases of goods and services necessary for the provision of goods and services rendered by the corporation.**
 - ii. **Deductible expenses include salaries and interest paid on loans provided by financial institutions.**
 - b. This tax shall be paid by the first Monday of every month.

¹ Financial Institutions are corporations whose primary activity is to manage financial transactions (deposits, loans, etc.)

Section 3: Taxation of Winnings and Investments

1. Whereas gambling is not considered income as defined in section 1, any winnings from gambling, tournaments, and investments, including those from interest:
 - a. All winnings from gambling and tournaments will be taxed at a rate of 10%
 - i. This includes losses, where a loss of money shall be considered a negative tax not required to be paid on a personal income tax
2. All investments and interest incurred will be taxed at a rate of 2.5%
 - a. This included losses, where a loss of money shall be considered a negative tax not required to be paid on a personal or corporate income tax.
 - b. Interest earned on savings accounts are tax exempt.
 - c. Interest paid on loans provided by financial institutions are considered a part of income and will be taxed at the personal or corporate tax rate, accordingly.
 - d. Investment gains and losses perceived by financial institutions will be considered corporate income as per section 2 and will be taxed at a rate of 1%.

Section 4: Tax Returns

1. The Treasurer or whoever acts on his behalf is required to provide a template for citizens and corporations to prepare their tax returns.