There is no reason, of course, to burden the government and the population with unnecessary exchanges of payments. Any family which does not expect to be eligible for significant net NIT benefits can always elect to withdraw. The family will not then receive the periodic basic allowance payment from the government, and its working members will not be subject to withholding (or quarterly payments) of the offsetting tax. This election could be made in writing either to the Internal Revenue Service or to the employer. In the former case, the IRS would inform the employer not to withhold the offsetting tax. In the latter, the employer would inform the government through the IRS to stop the payments.

B. *Declarations by Benefit Claimants*

The declaration method would operate as follows: At any time families who believe they are or will be eligible for net NIT benefits could prepare a declaration of expected income for the current year. The declaration might be a simple post-card form requiring information only on family composition, expected income for the year, income in the prior quarter, and (if the proposed offsetting tax on wealth were adopted) net worth. The federal government—whether the IRS or some other agency—would compute the estimated *net* benefit, basic allowance less offsetting tax, for the year. Taking account of payments already made to the family during the year and taxes already collected from the family, the agency could estimate the remaining net benefit due and pay it in weekly or twice-monthly installments. Families whose incomes increased above expectation would be required to file a new declaration to stop or reduce the benefit payments. Families whose income fell short of expectation could make a new declaration at any time. Even if circumstances do not change, a renewed declaration would be required at the beginning of each year.

The withholding system would not need to be changed to collect the offsetting tax, because it would be deducted in determining net benefits to be paid.

The declaration method would not, of course, avoid the necessity of a final accounting and settlement between the family and the government for the year as a whole. This would be accomplished, as now, by the final income tax return on April 15, which would cover obligations under both the NIT and the regular income tax. At this time the family would either claim any net benefits not previously received or pay any net amount due the government.

The major drawback of the declaration method is that it would