Law on the Taxation of Value Flows and Social Stability – Three Seas 2100+



Article 1 – Definitions and Principles

1. The Value Flow Tax (hereinafter “VFT”) is the **sole mandatory tax**, replacing all contributions, income taxes, social and health insurance.

2. VFT applies to **all transactions of goods and services**

3. The purpose of this law is to:

    - ensure a **stable flow of financial resources for the state** to support citizens, pensions, and public services,

    - motivate people to engage in productive activities,

    - tax **value created by systems and robots**.

Article 2 – Rate and Collection

1. The VFT rate is **43 % of the value of each transaction**, collected **immediately at the moment of payment**. This requires a change in the banking payment system throughout the Three Seas region.

2. The tax is **automatically collected and cannot be circumvented through subsequent reporting**. The tax base is defined as the net value flow: total incoming payments minus eligible outgoing payments (costs), calculated automatically in real time.

3. Companies acting as intermediaries between a client and subcontractor have VFT **automatically deducted from costs and inputs**, ensuring taxation only on added value.

4. Companies employing robots or AI instead of human labor may deduct VFT on their acquisition as capital inputs. However, since such systems do not generate ongoing deductible expenses (such as wages), the company's tax base remains higher over time, resulting in an effectively higher tax burden compared to labor-intensive firms.

5. Similar to a value-added tax, the VTP is applied along the production (supply) chain to prevent double taxation. If a business owner withdraws profits from the company, a 43% tax is applied. In this context, the owner is treated analogously to an employee, allowing the withdrawal to be recognized as a business expense. Employees pay a 43% tax on their income. **As a result, the system avoids double taxation.**

Article 3 – Cash and Payment Methods

1. All transactions must be conducted **cashless**, using electronic payment methods.

2. Physical cash is **abolished for economic transactions** to ensure transparency of value flows.

3. Assets in the form of gold, stocks, and real estate are considered **stores of value** and are **not subject to VFT**.

4. In case of blackouts or other states of emergency, **automatic access to basic food and services is guaranteed free of charge**.

Article 4 – Citizen Support

1. Unemployment benefits and old-age support are provided only to citizens who:

    - have no income above the basic living minimum,

    - do not own surplus assets (apartments, real estate, stocks, large savings).

2. Citizens may collect **tokens for publicly beneficial activities** (e.g., community services, state projects) to receive or increase support.

3. Obligations to demonstrate eligibility are **recurrent and periodic** to prevent system abuse.

Article 5 – Company Owners and Profit Extraction

1. Company owners may withdraw profits, but all payments are subject to **automatic 43 % VFT**,
    - no other taxes, contributions, or filings are required.
2. The system tracks **value flows, not accumulated assets**; wealth in stocks, real estate, or gold is **not taxed**. (Property-related taxes should remain at the municipal level, as real estate directly impacts local infrastructure and public services. Such revenues are not intended to finance pensions or the central social systém) Physical stores of value, such as gold, play a critical role as a safeguard in a fully cashless system. They provide individuals with a form of financial security independent of digital infrastructure, protecting against risks such as cyberattacks, system failures, or large-scale blackouts.

Article 6 – System Stabilization

1. The purpose of the law is to **maintain a stable economy and social system even under high automation and robotization**.
2. The more work is replaced by robots or AI, the higher the VFT collected, **compensating for the loss of human employment contributions**.
3. The system is designed so that **demography is not a critical factor** – pensions and basic services are financed from value flows, not from human labor.

Key Principles Summary

- Single **automatic 43 % tax** on all value flows.
- **Cashless transactions only**, all electronic.
- **Eligible inputs are deductible; human labor creates continuous deductions, while automation does not.**
- **Support and tokens** for people without income or surplus assets.
- Assets in **stocks, gold, or real estate** are untaxed.
- **Blackout / emergency → basic needs free of charge**.

Final Note

This tax reform, which addresses the issue of capital outflow from states to other jurisdictions, is **simultaneously a pension reform**. The proposed system fundamentally changes the principle that working people support retirees and that the system depends on population growth. This system functions even with a declining population, aging demographics, and the replacement of workers by robots. It is completely independent of demography and does not require solutions such as immigration from Africa or the Middle East.