The Intent-Aligned Tax System: A Dynamic Framework for Sustainable Economic Governance

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Abstract

Modern tax systems are structurally misaligned with the behaviors they aim to regulate. Built on static rules and rigid classifications, they incentivize extraction, enable inefficiency, and fail to adapt to systemic stress. This paper proposes an Intent-Aligned Tax System (IATS), a dynamic framework grounded in behavioral categorization, adaptive feedback loops, and infinite game strategy. By shifting taxation from income-based models to intent-driven classifications, this system aligns incentives with long-term societal stability.

1. Introduction

Taxation has historically been treated as a revenue collection mechanism. However, in complex adaptive systems, taxation functions more accurately as a behavioral control interface. The failure to recognize this has resulted in increasing inequality, economic fragility, and systemic inefficiency.

2. The Intent Framework

The system is structured around a core functional model:

$$Intent \rightarrow Friction \rightarrow Action \rightarrow Outcome$$

Taxation is introduced as a calibrated friction layer designed to shape behavior toward desired system outcomes.

3. Behavioral Tax Categories

Economic activity is classified into four categories:

- **Productive Value:** Labor, innovation, and long-term investment (low tax).

- **Extractive Value:** Rent-seeking and speculative gain (high tax).
- **Circulatory Value:** Spending and reinvestment (variable tax).
- **Destructive Externalities:** Environmental and systemic harm (very high tax).

4. Dynamic Taxation Mechanism

Unlike static systems, IATS adjusts tax rates based on system conditions such as inequality, wage stagnation, and resource allocation inefficiencies.

5. Corporate Intent Profiling

Corporations are evaluated not only on profit but on their systemic impact:

- Labor practices
- Capital allocation
- Environmental footprint
- Market behavior

Tax rates are dynamically assigned based on these metrics.

6. Infinite Game Alignment

The system prioritizes long-term sustainability over short-term optimization. Adaptive triggers and anti-concentration mechanisms prevent systemic collapse.

7. Conclusion

The Intent-Aligned Tax System reframes taxation as a dynamic governance tool. By aligning incentives with sustainable outcomes, it offers a viable path toward a more stable and equitable economic system.