



## **When AI Takes Our Jobs, It Should Also Pay Our Wages.**

The MOSAIC Model: A Rule-Based  
Negative Income Tax Funded by the  
AI Dividend

A policy framework designed to ensure  
prosperity rises even when  
employment doesn't.

# The Automation Paradox: Why AI Unemployment is Different

## Classic Unemployment (Scarcity)



↓ Output Shrinks

## AI Unemployment (Abundance)

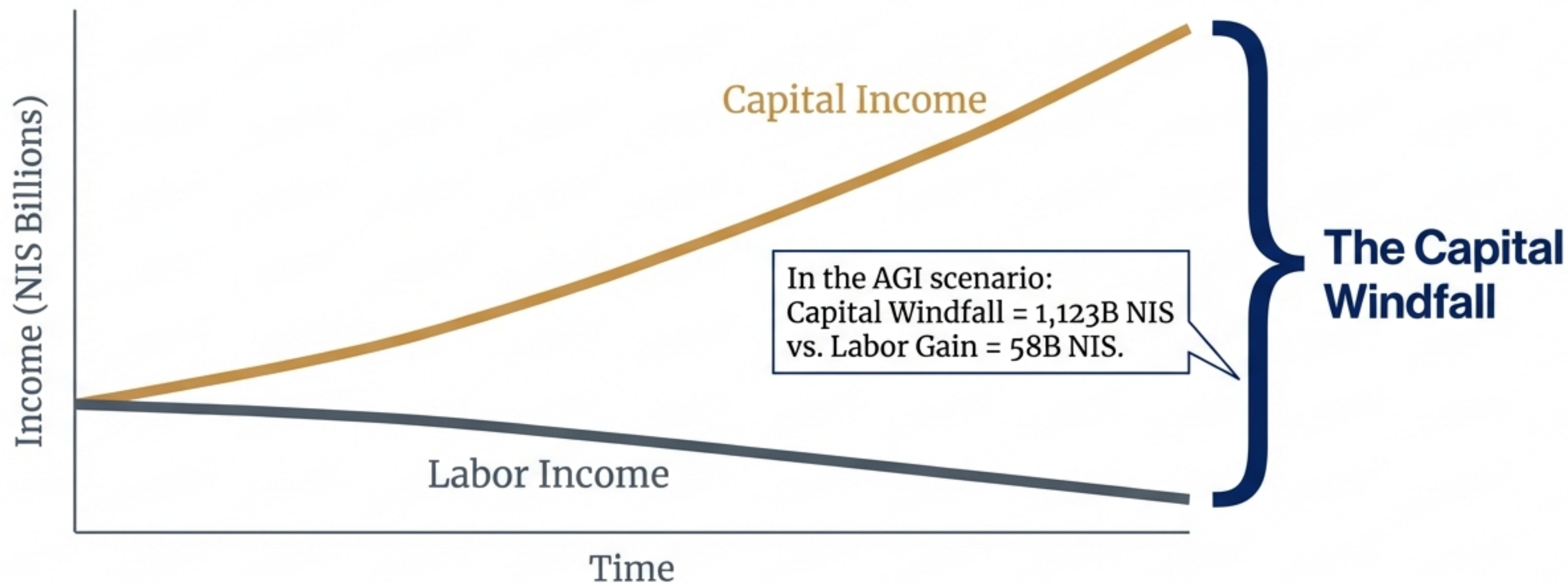


↑ Output Accelerates

The Thought Experiment: Imagine sending a digital twin to work in your place. It performs tasks faster and cheaper. The firm's output increases. We are facing a problem of distribution, not affordability.

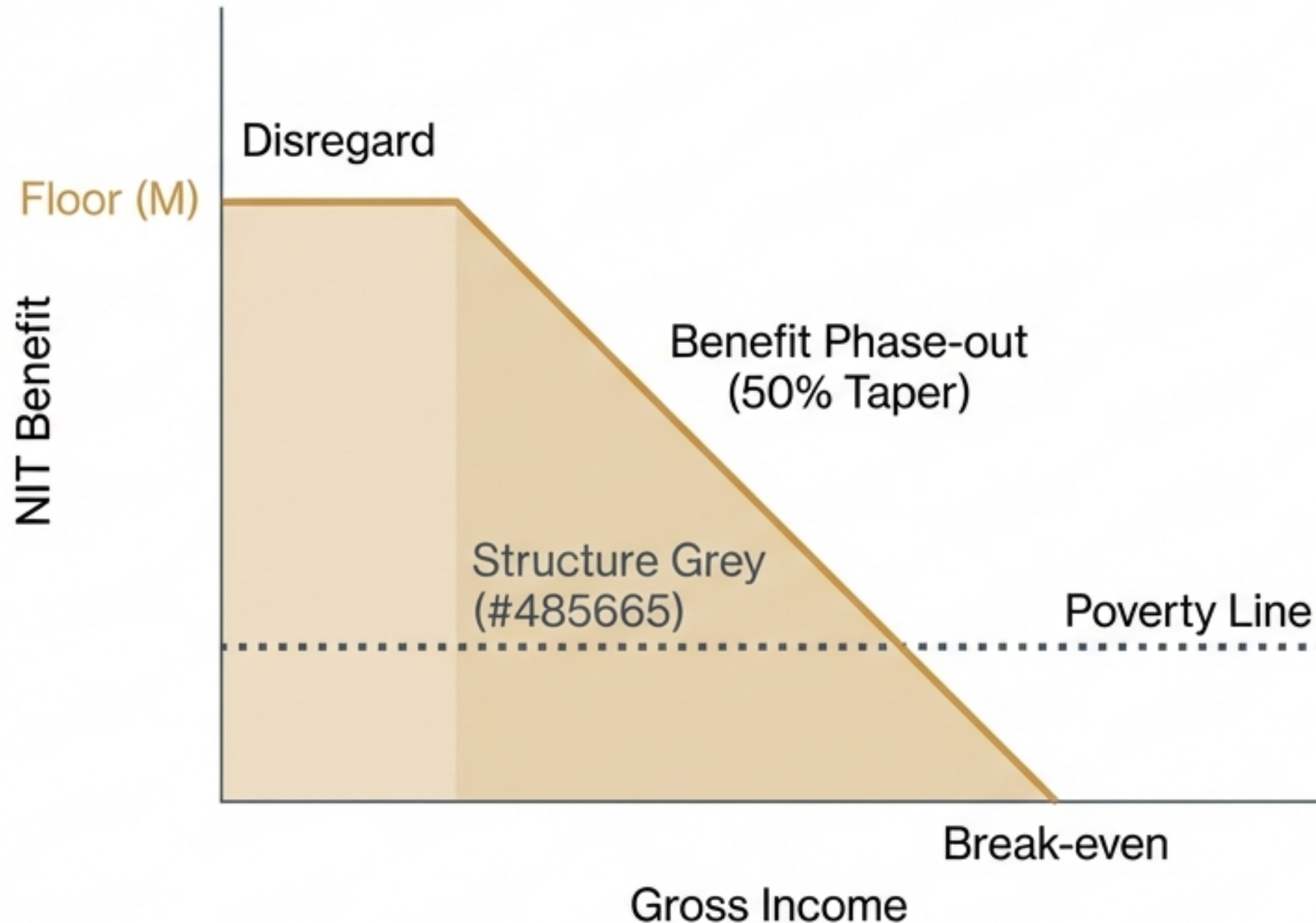


# The Great Divergence Creates a Capital Windfall



The surplus required to fund society exists in this gap.  
The challenge is collectibility, not affordability.

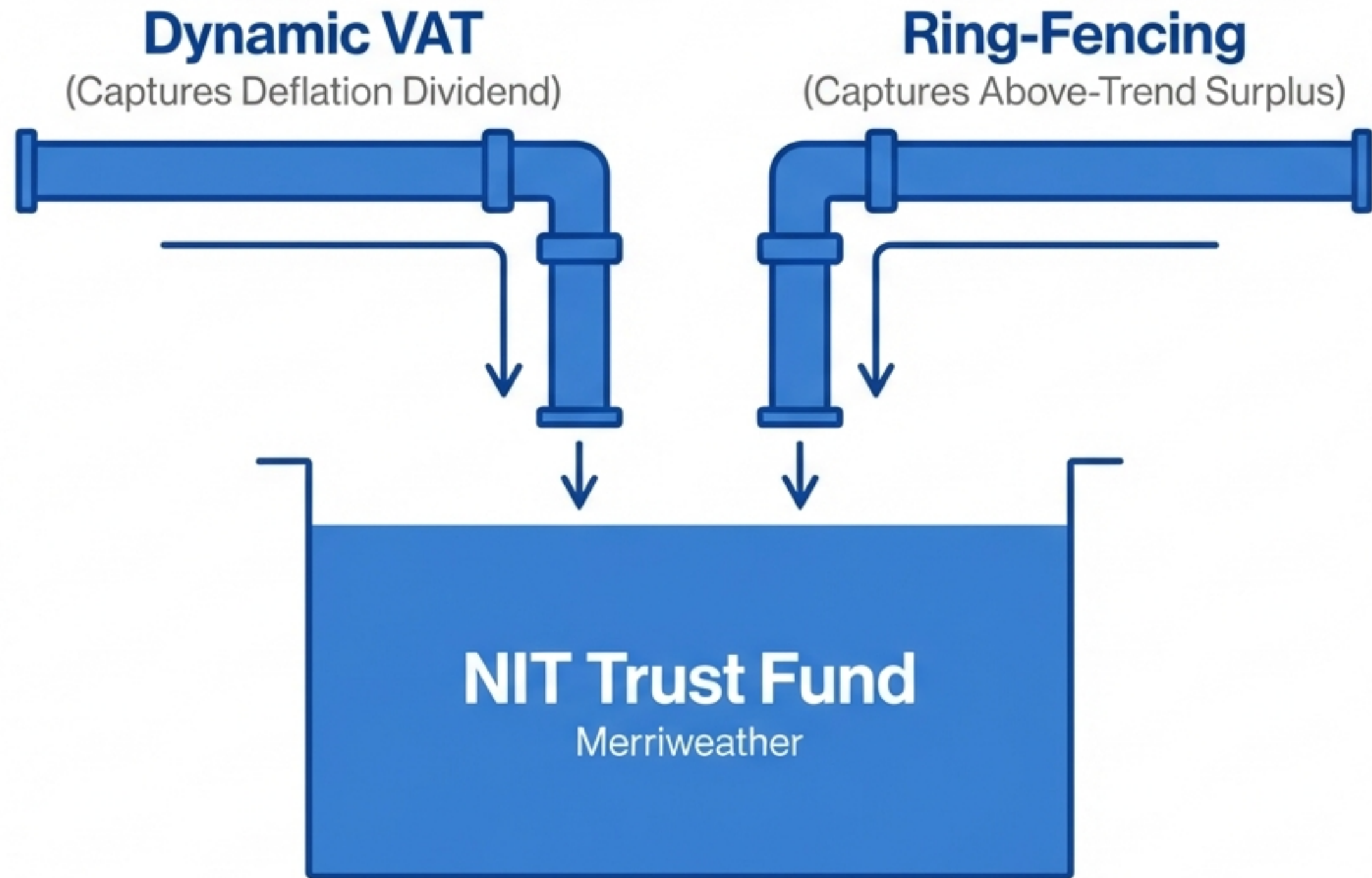
# The Mechanism: A Negative Income Tax (NIT)



- **Floor:** A guaranteed minimum for those with zero income.
- **Taper:** Benefits reduce smoothly as earnings rise (no cliffs).
- **Result:** Work always pays.
- Poverty is eliminated by default.



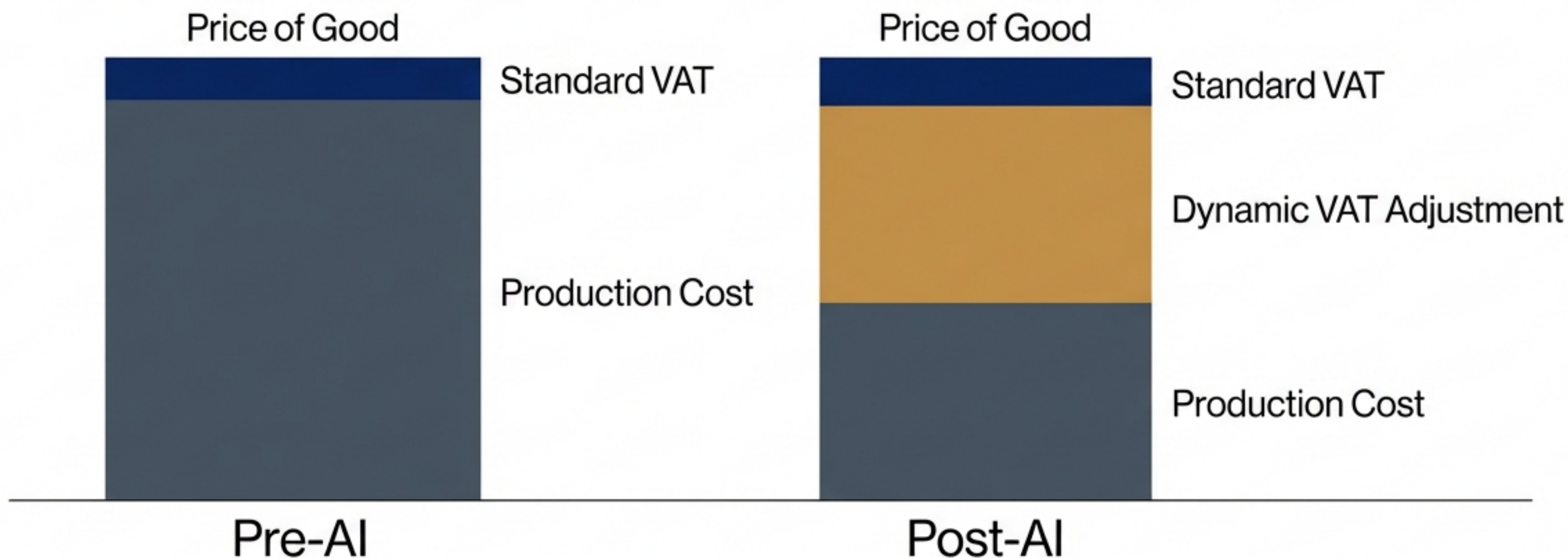
# The Architecture of Collectibility



- M** - Multi-channel funding
- O** - Over-trend Ring-fencing
- S** - Savings from Government Automation
- A** - AI-linked Deflation capture
- I** - Income via NIT
- C** - Consolidation of legacy transfers

# Channel 1: The Dynamic VAT (Capturing Deflation)

The Largest Funding Source: 167B NIS (AGI Scenario)

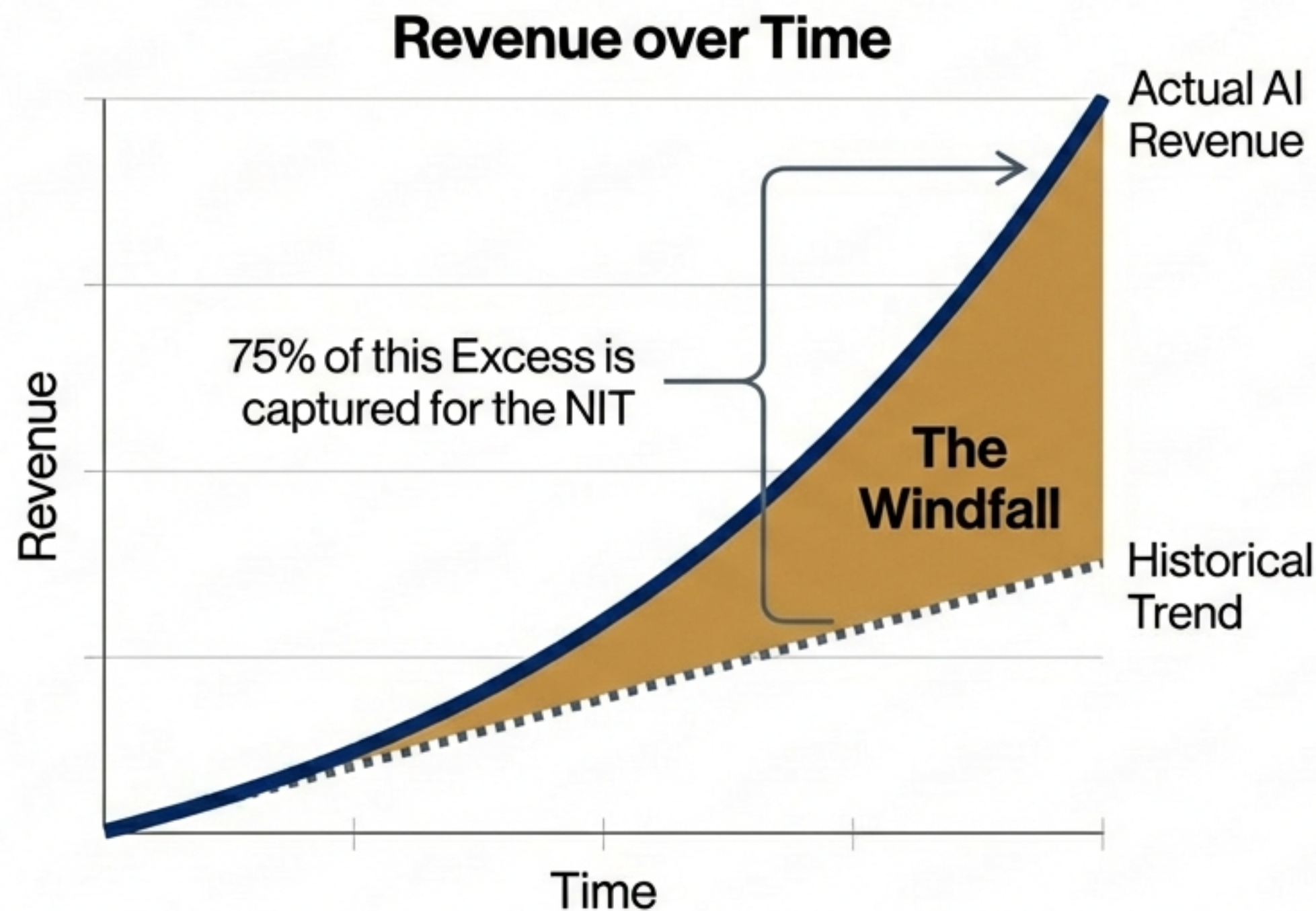


As AI drives costs down, VAT rates adjust upward.  
Consumers see stable prices; the State captures the margin.



# Channel 2: Ring-Fencing the Upside

## Taxing the Windfall, Not the Baseline



### Mechanism:

1. Establish pre-AI historical revenue trend.
2. Ring-fence 75% of excess receipts (Corporate & Capital Gains).
3. Capture wage savings from Government Automation.

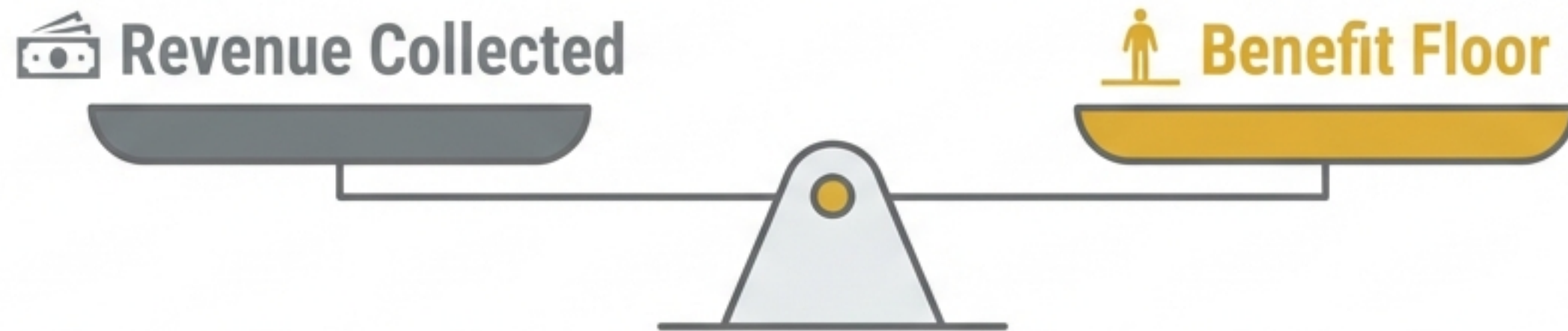
### Result:

92B NIS (AGI Scenario) without raising statutory tax rates.



# Fiscal Balance by Construction

$$\textit{Cost}(\textit{Floor}) = \textit{Revenue}$$



Self-regulating logic

← Low Displacement Scenario →

Lower Revenue → Floor: ~4,000 NIS

→ AGI Scenario →

High Revenue → Floor: ~6,750 NIS

We do not promise money we don't have. The Floor is solved for mathematically.



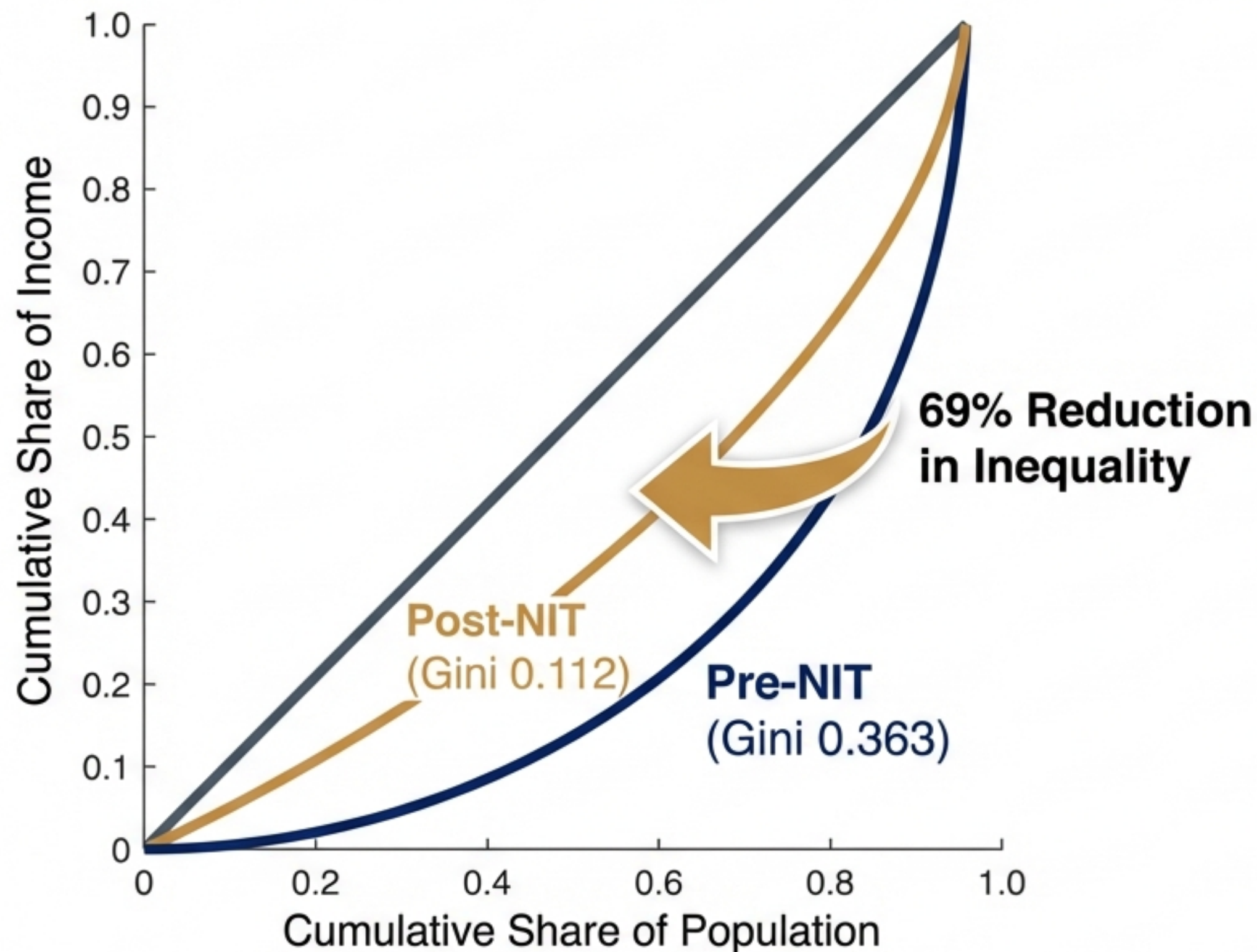
# Calibration Case Study: Israel

Revenue Generated	Cost to End Poverty	Resulting Floor
<b>266B NIS</b> (AGI Scenario)  Structure Grey (#485665) Merriweather	<b>266B NIS</b> (Budget Balanced)  Structure Grey Merriweather	<b>6,751 NIS</b> per month / adult equivalent  Structure Grey Merriweather

This floor is double the current poverty line (3,324 NIS). If it works in a constrained economy like Israel, it scales to the G7.



# Transforming Inequality

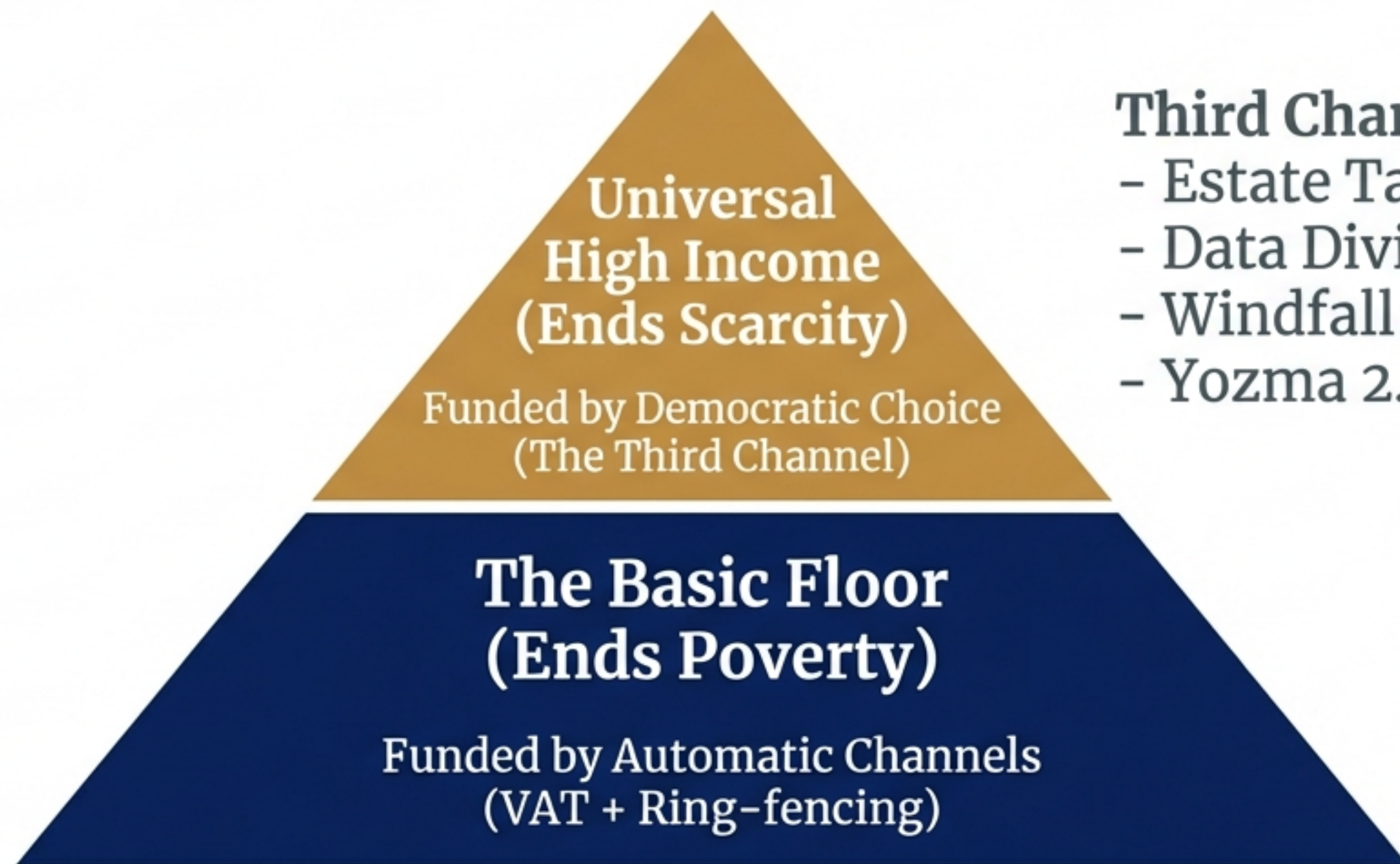


## Impact:

- Gini Coefficient drops from 0.363 to 0.112.
- Bottom Decile receives ~20,693 NIS/mo per household.
- No Poverty Trap: Marginal tax rates never exceed 65%.



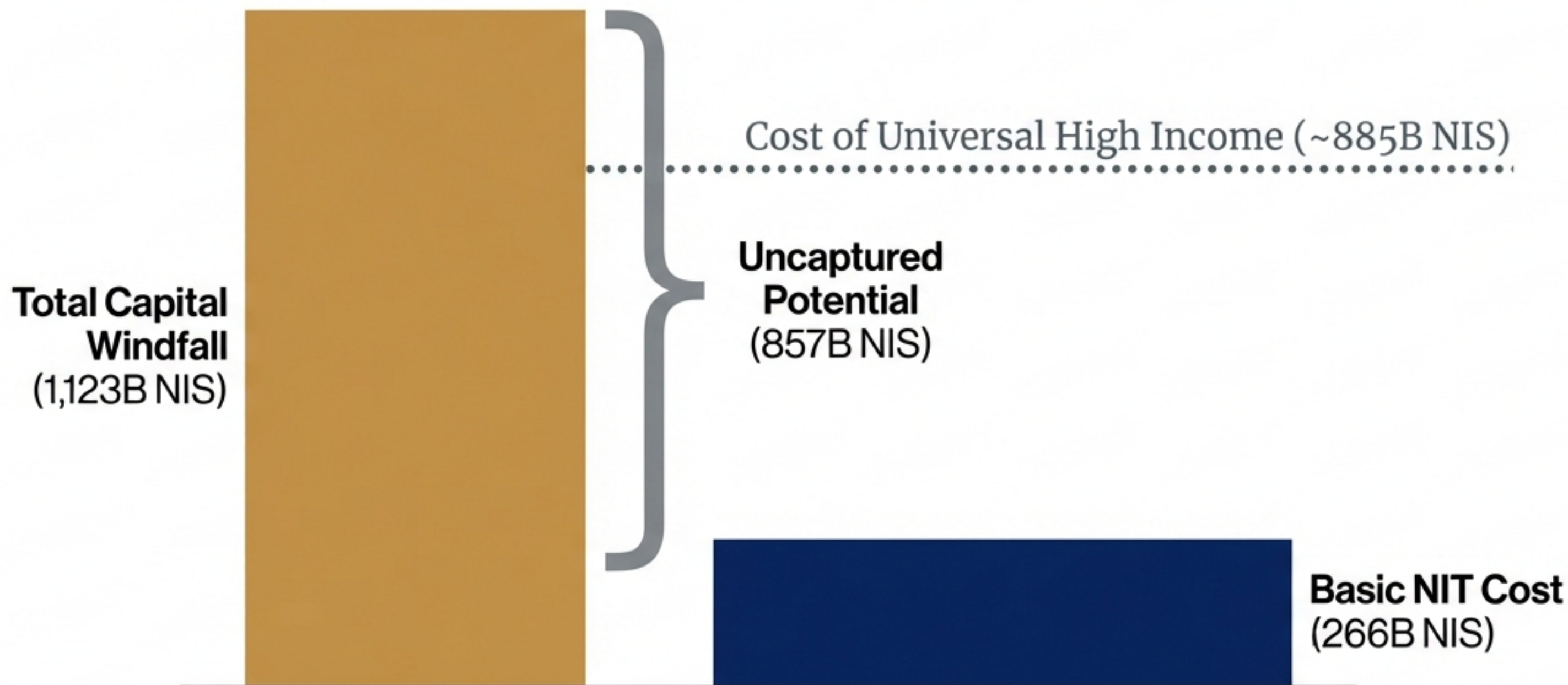
# Beyond Basic: The Path to Universal High Income (UHI)



- Third Channel:**
- Estate Taxation
  - Data Dividends
  - Windfall Levies
  - Yozma 2.0 Equity Stakes

**Vision: Moving from a 6,750 NIS floor to a 15,000+ NIS floor.**

# The Capture Gap



The economics make higher floors possible.  
Whether to go there is a question for society to decide.



# The Window of Political Feasibility

## Current Window (Expansion Phase)

- AI disruption visible but not solidified.
- "Pre-distribution" is easier than Redistribution.
- Reforms during growth face no electoral penalty.

## Future Risk (Maturity/Crisis)

- Concentrated Opposition (Lobbying).
- Crisis leads to bad policy.

Strategy: Front-load the reform framework before the new wealth distribution hardens.



# Implementation Roadmap





# Moving from Scarcity to Abundance

## MOSAIC

מכון למדיניות בינה מלאכותית



### The Surplus Exists (AI Windfall)

- AI generates massive, novel revenue.

### The Mechanism Works (Collectibility)

- Automated, unobtrusive tax systems capture wealth.

### The Result is Stability (No Poverty)

- Guaranteed income floor ensures societal peace.

**Support the MOSAIC framework to ensure that prosperity rises even when employment doesn't.**



Replication Materials: [github.com/Mosaic-AI](https://github.com/Mosaic-AI)

Interactive Calculator: [mosaic-model.io](https://mosaic-model.io)

