

MOSAIC



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

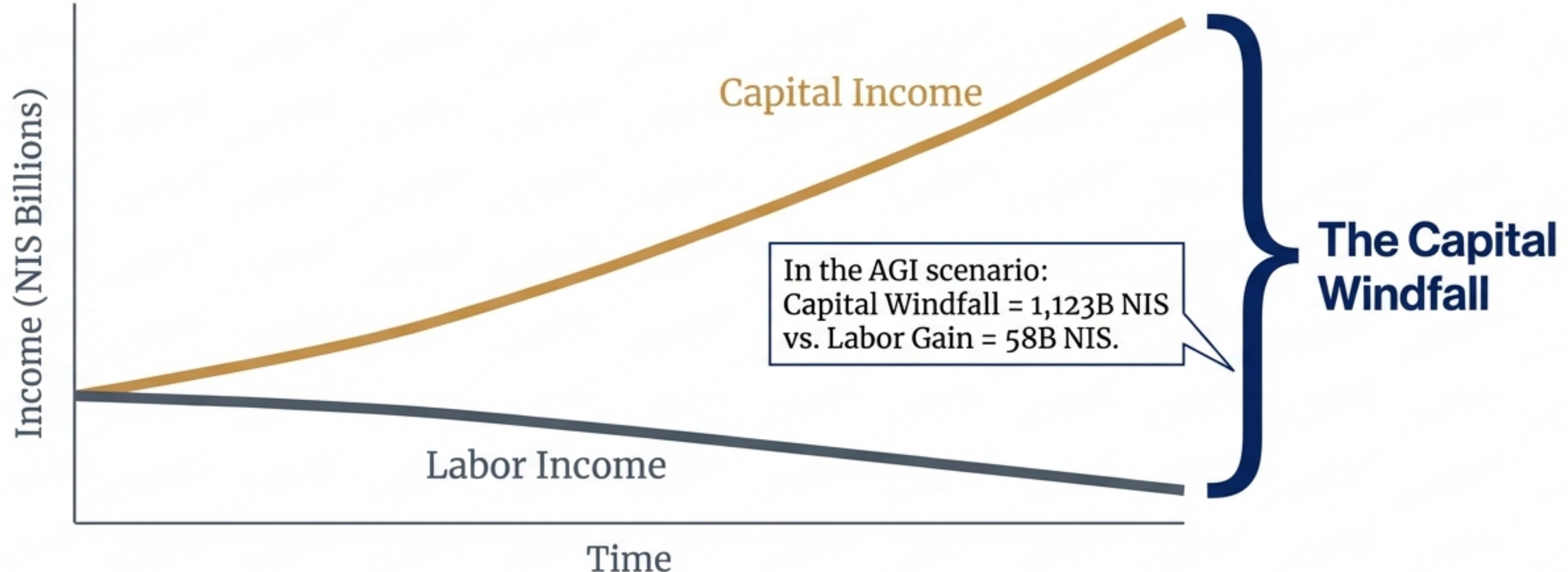
AI Unemployment (Abundance)



↑ Output Accelerates

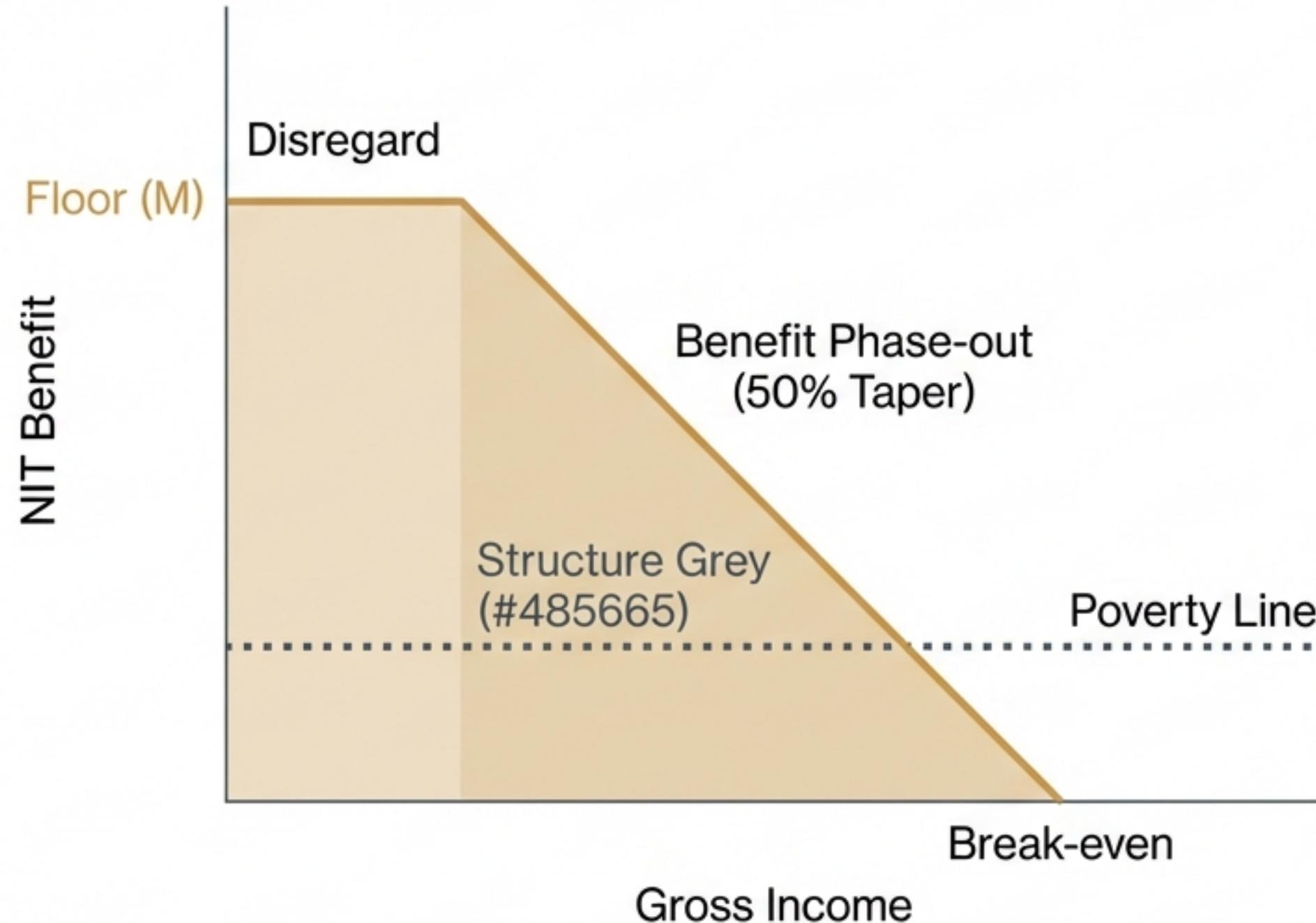
The Thought Experiment: Imagine sending a digital twin to work in your place. It performs tasks faster and cheaper. The firm's output increases. We are facing a problem of distribution, not affordability.

The Great Divergence Creates a Capital Windfall



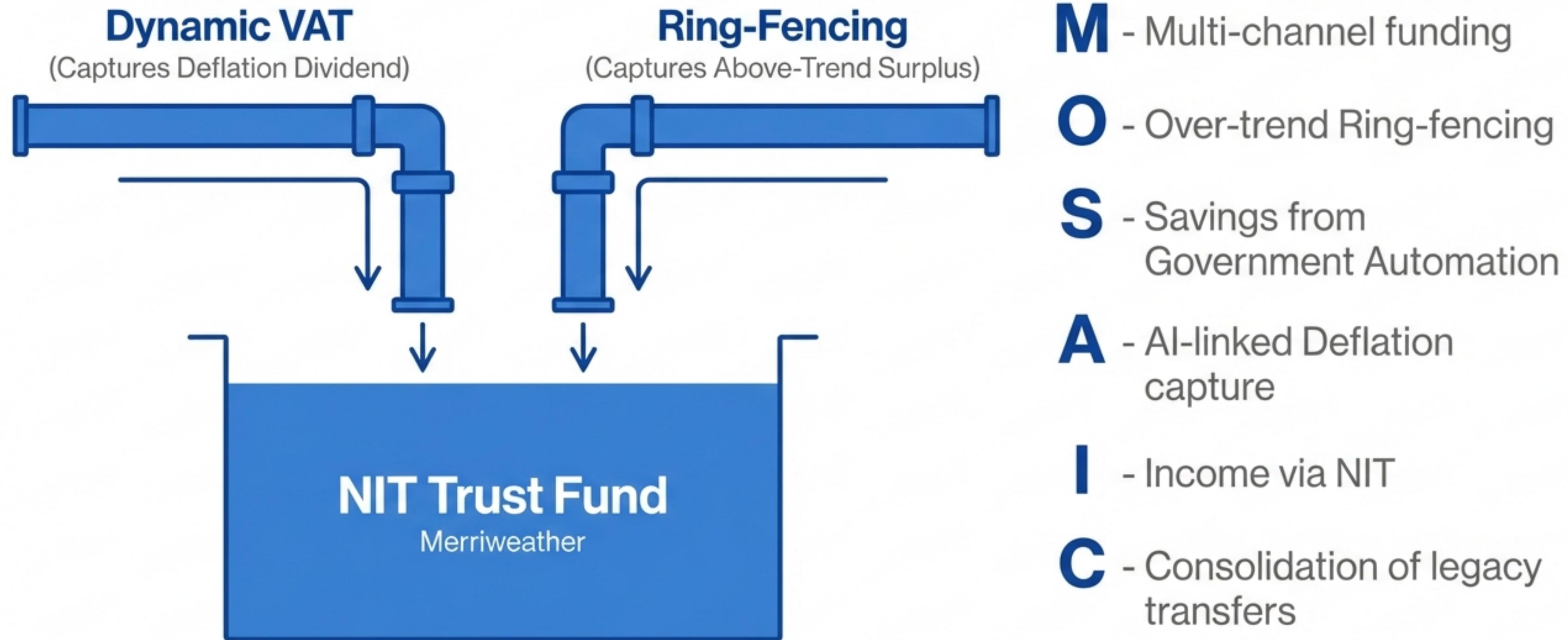
The surplus required to fund society exists in this gap.
The challenge is collectibility, not affordability.

The Mechanism: A Negative Income Tax (NIT)



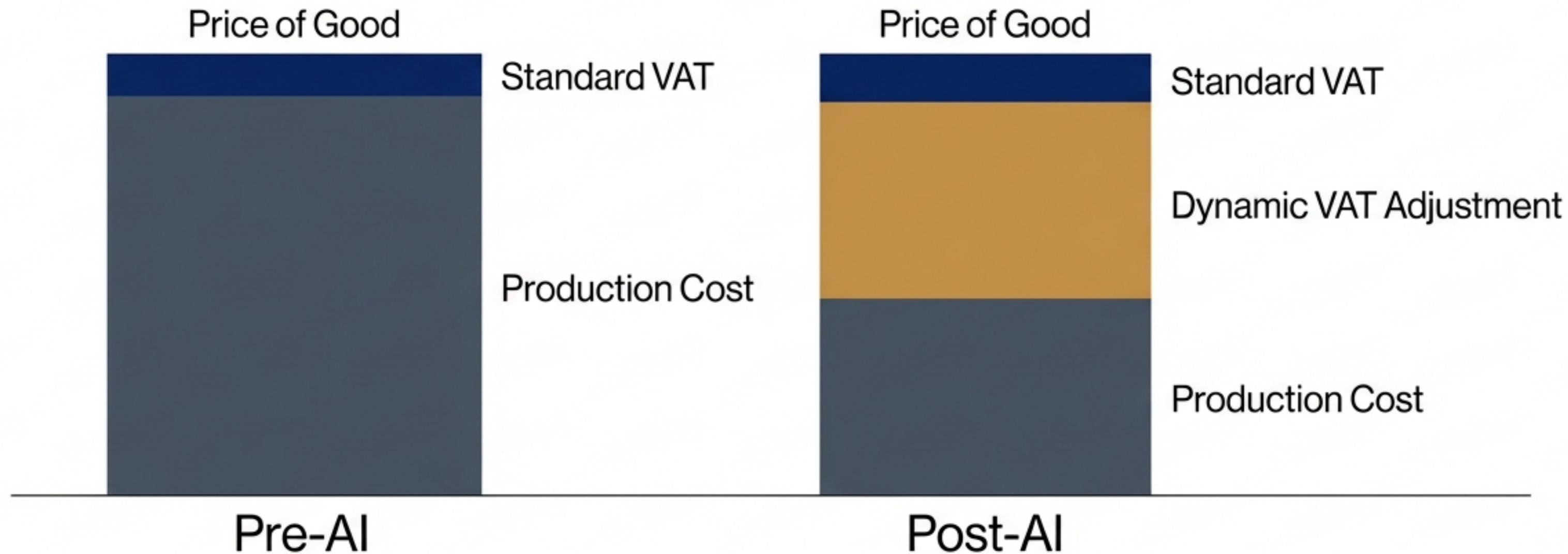
- **Floor:** A guaranteed minimum for those with zero income.
- **Taper:** Benefits reduce smoothly as earnings rise (no cliffs).
- **Result:** Work always pays.
- Poverty is eliminated by default.

The Architecture of Collectibility



Channel 1: The Dynamic VAT (Capturing Deflation)

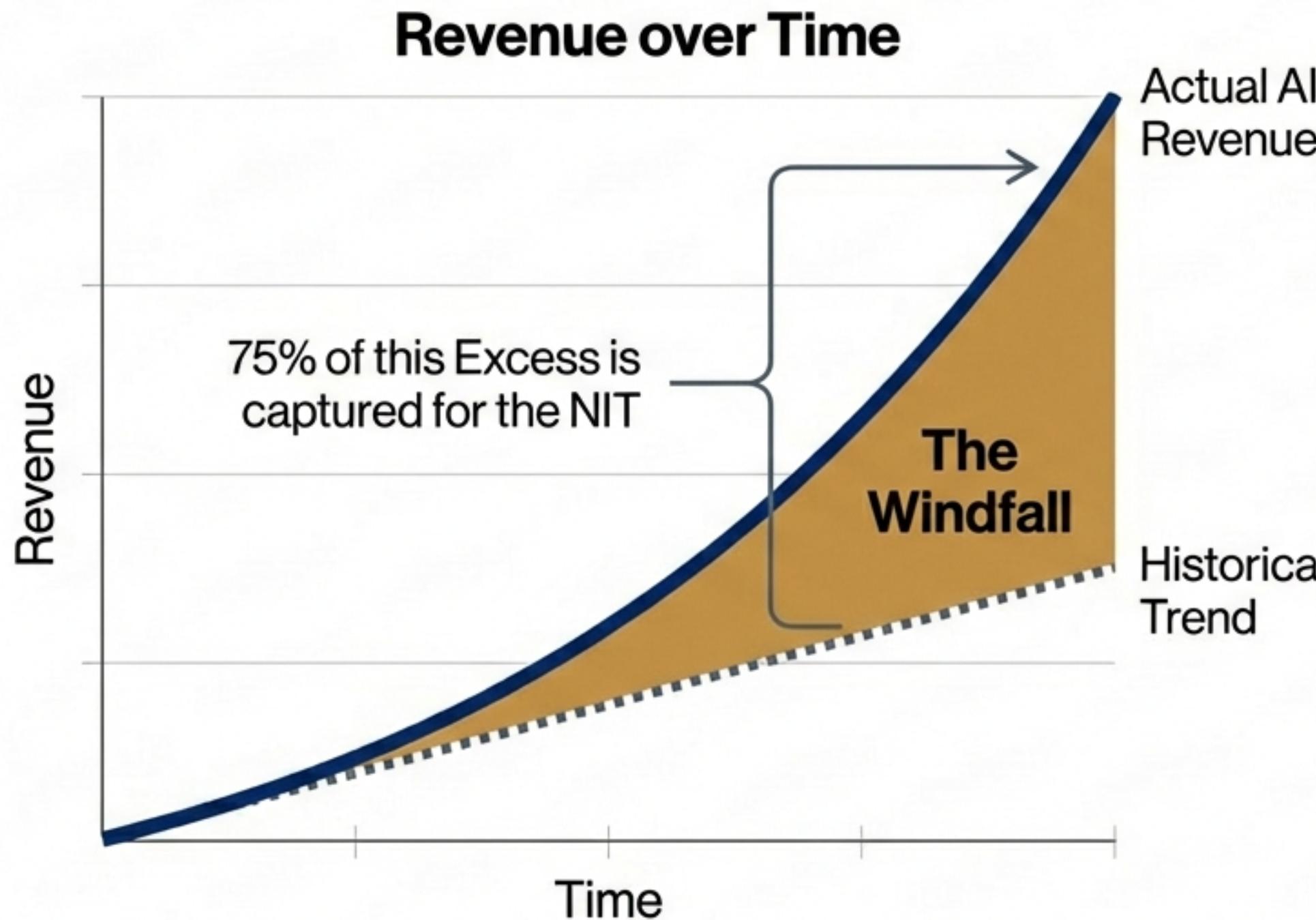
The Largest Funding Source: 167B NIS (AGI Scenario)



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:

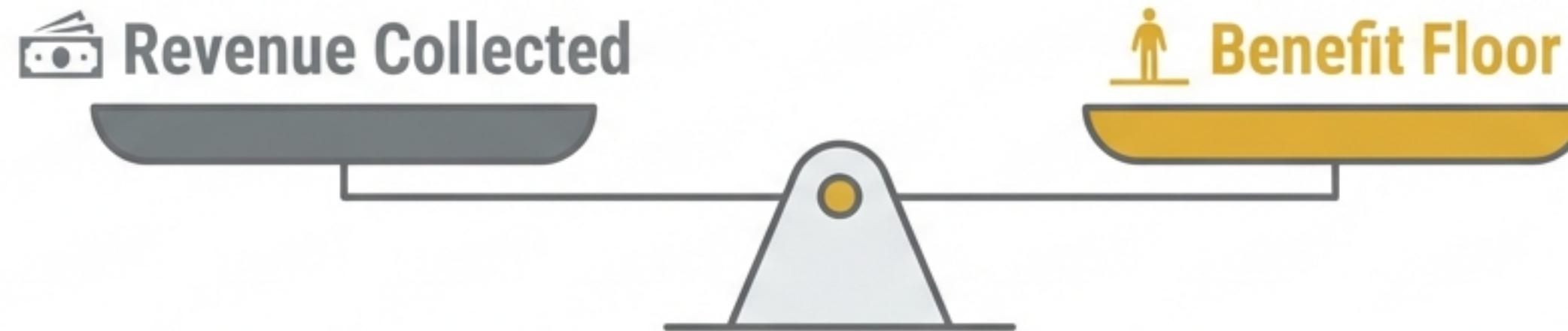
1. Establish pre-AI historical revenue trend.
2. Ring-fence 75% of excess receipts (Corporate & Capital Gains).
3. Capture wage savings from Government Automation.

Result:

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

Fiscal Balance by Construction

Cost(Floor) = Revenue



Self-regulating logic

← Low Displacement Scenario →
Lower Revenue → Floor: ~4,000 NIS

→ AGI Scenario →
High Revenue → Floor: ~6,750 NIS

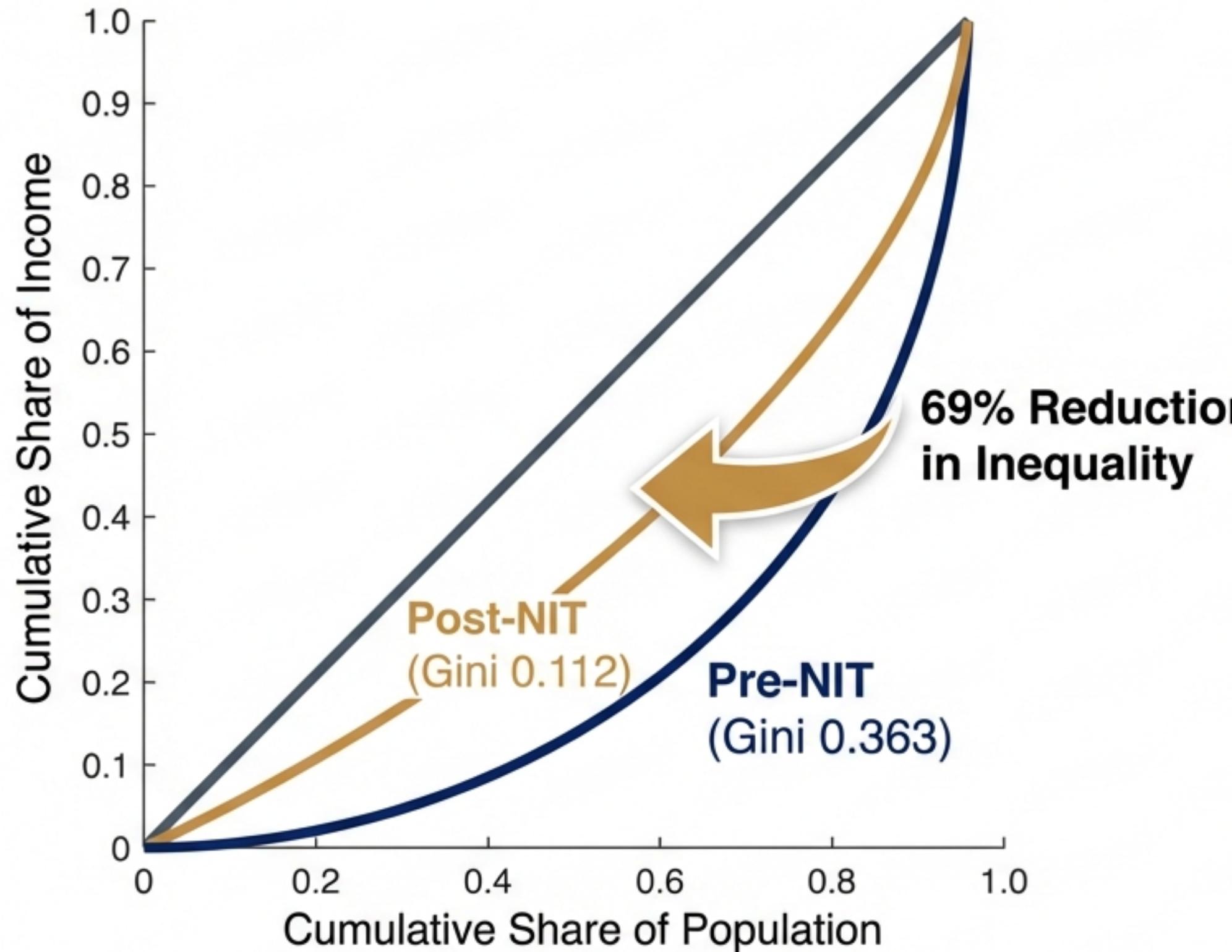
We do not promise money we don't have. The Floor is solved for mathematically.

Calibration Case Study: Israel

Revenue Generated	Cost to End Poverty	Resulting Floor
266B NIS (AGI Scenario)	266B NIS (Budget Balanced)	6,751 NIS per month / adult equivalent

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.

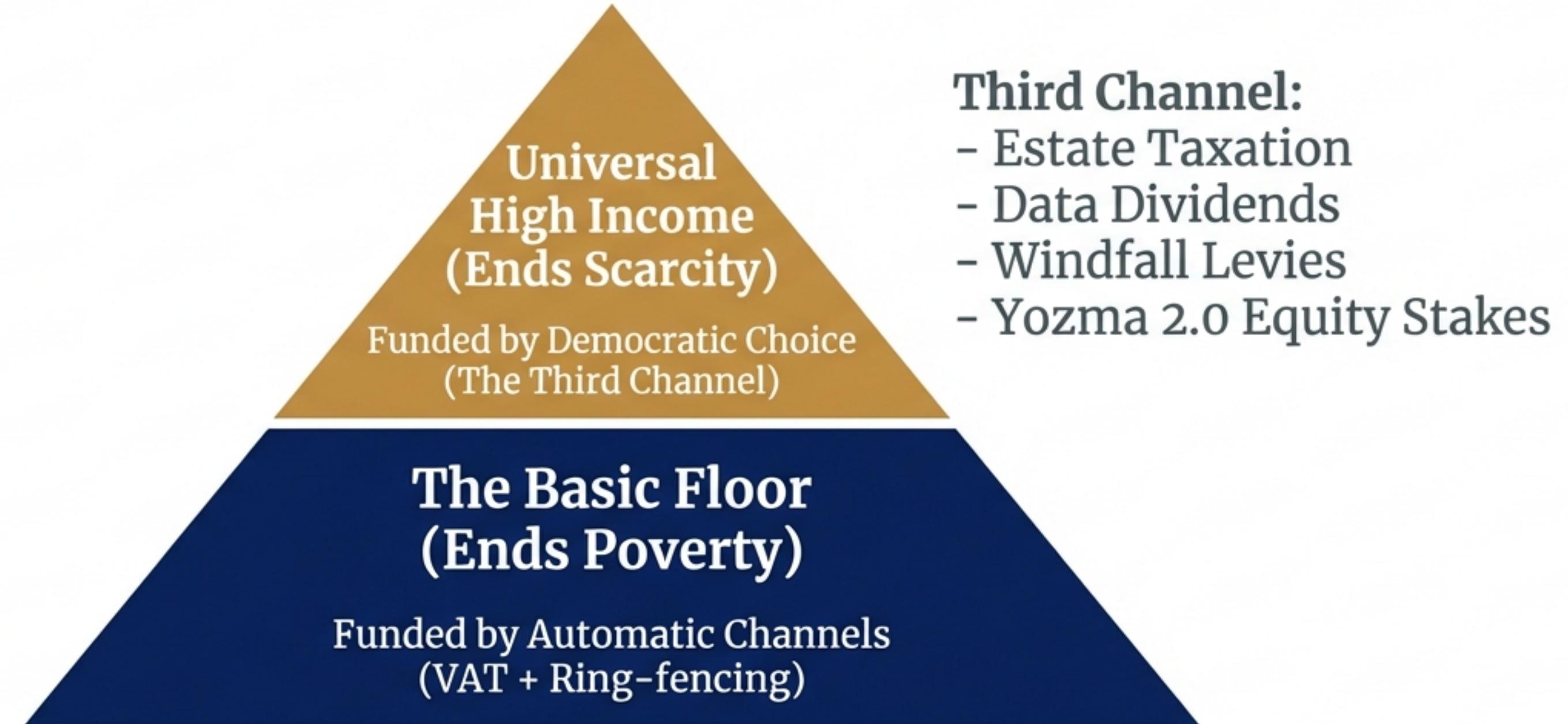
Transforming Inequality



Impact:

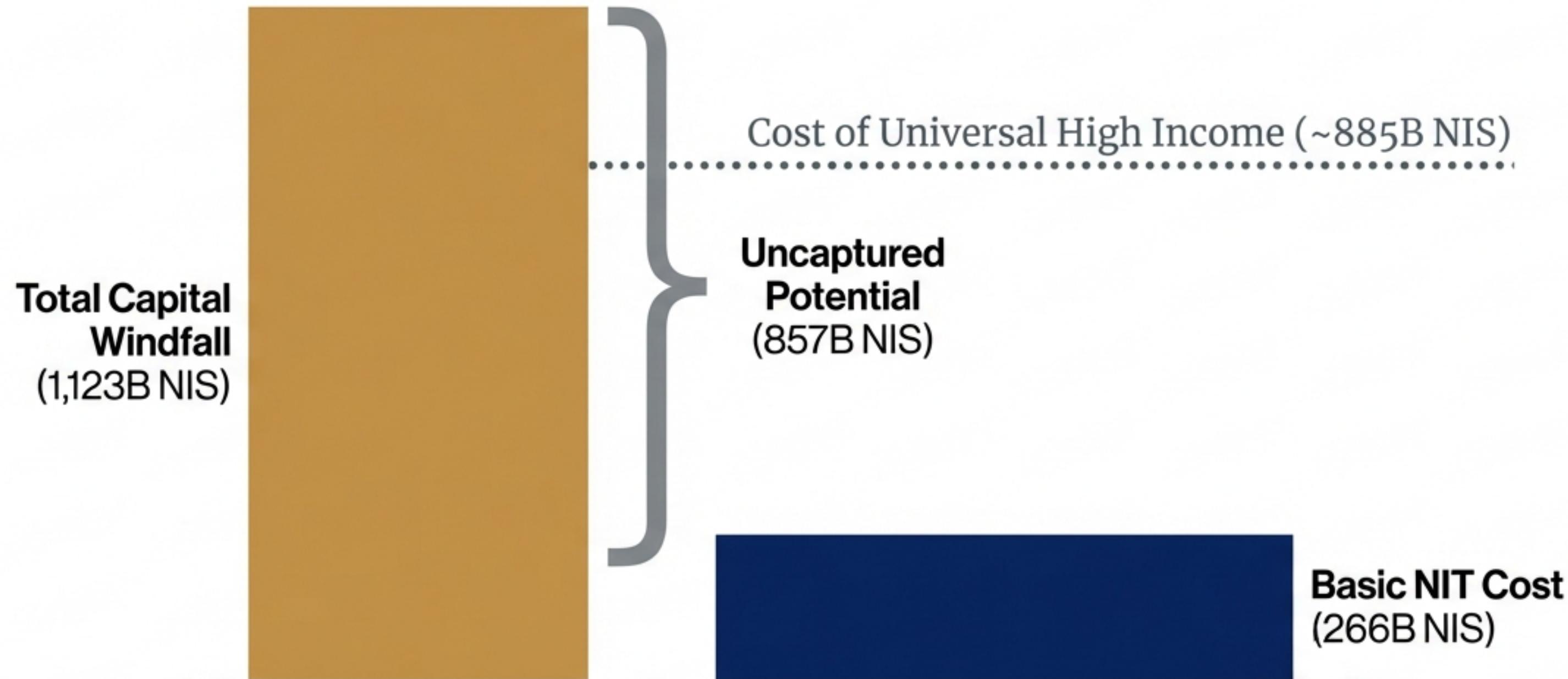
- Gini Coefficient drops from 0.363 to 0.112.
- Bottom Decile receives ~20,693 NIS/mo per household.
- No Poverty Trap: Marginal tax rates never exceed 65%.

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



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)

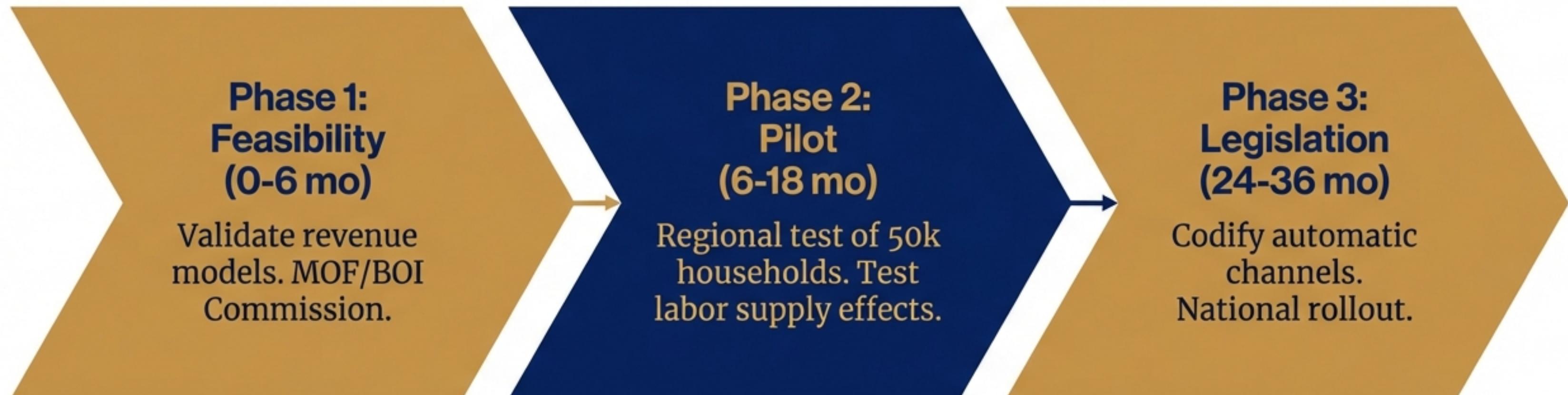
- AI disruption visible but not solidified.
- "Pre-distribution" is easier than Redistribution.
- Reforms during growth face no electoral penalty.

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



Unilateral Feasibility

Unlike global tax treaties (Pillar Two), nations can implement Dynamic VAT and Domestic Ring-fencing unilaterally.

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

Interactive Calculator: mosaic-model.io

