Solution To Taxation:
Deviation Equity Tax

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INDIVIDUAL FILER TAXATION

This section will discuss individual filer taxation under current tax models firstly. Then this section will go on to explain a new theoretical tax model.

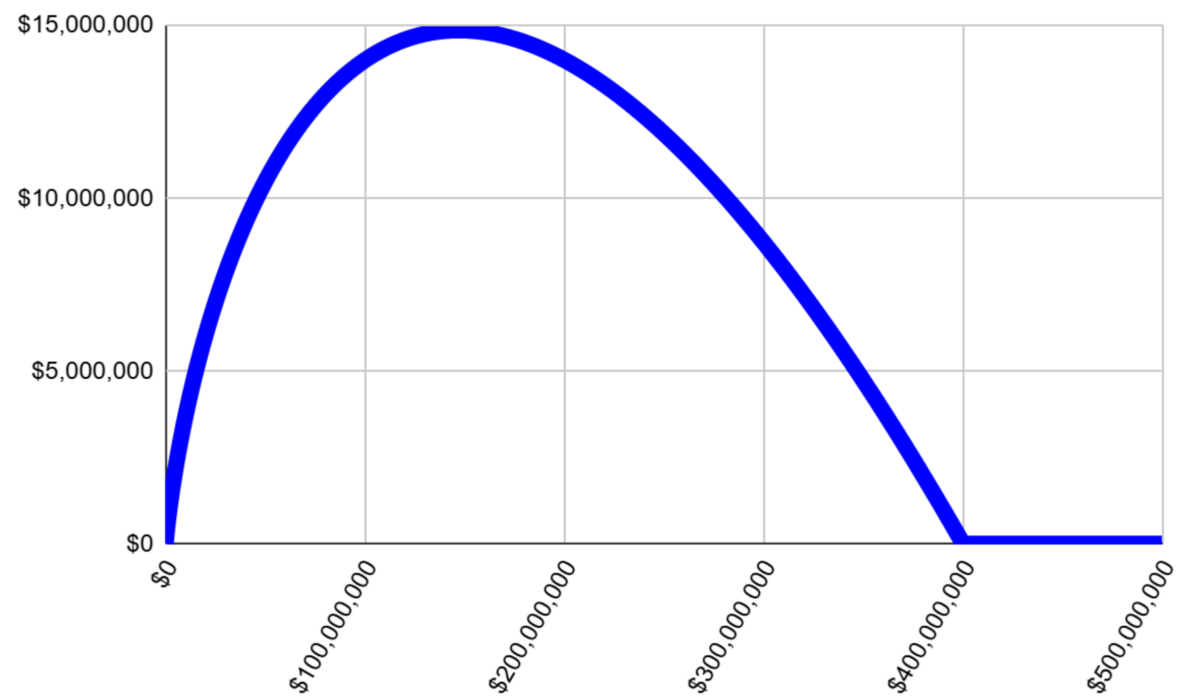

Diagram 1: The DET Model
This shows how an individual Filer's income would be affected by the Deviation Equity Tax.

Abstract

The Deviation Equity Tax (DET) determines both **taxation and benefits via a logarithmic scaling method** by calculating distance from Baseline Anchor (BA). Unlike flat or progressive systems, DET uses no tax brackets.

Taxation increases proportionally via an income's deviation from a Baseline Anchor value, discouraging extreme wealth accumulation, while also still incentivizing financial productivity. DET is designed to:

- Eliminate dependency on arbitrary brackets or "classes"
- Eliminate loopholes
- Completely standardize taxation rates
- Invoke realistic taxes on the wealthy
- Eliminate the bracket "cliff effect"

- Eliminate the need for deductions
- Guaranteed benefits for low income earners
- Discourage monolithic wealth accumulation
- Reduce administrative overhead/oversight and costs
- Make taxation streamline and transparent

All of the above objectives are empowered by a continuous scaling that treats every dollar fairly. At lower incomes, DET guarantees survival; at middle incomes, it moderates burden; and at higher incomes, it redistributes excess wealth proportionally. **DET ensures that no individual is left penniless, while still encouraging upward mobility, and yet still rewards progress**.

This model reframes taxation not as punishment or through arbitrary division, but as a proportional tool for equity, sustainability, and social stability. By incorporating negative taxation, it guarantees that individuals are never left destitute. At the same time, it offers a simpler and more cost-effective approach to government administration—serving as a less expensive alternative to a wealth tax and reducing both the need for, and the volume of, benefit applications.

Applied to 2024 data, DET would have generated approximately **$4 to 4.6 trillion in revenue** — nearly double the returns ($2.4T) of that year.

PREFACE

A taxation system saturated with dependent variables becomes malleable—and dangerously vulnerable to manipulation. In this context, dependent variables include the definition of brackets and the rates applied to them. These variables are unstable: brackets are arbitrarily defined, their number fluctuates, their ranges shift, and the rates imposed fail to distribute the burden fairly. Rather than fostering prosperity for the majority, current tax structures suppress potential returns and incentivize loophole-seeking to avoid the cliff effect. Taken together, these dynamics render the system unstable, inequitable, and increasingly unsustainable.

My goal is to establish a taxation system free of "brackets." Such boundaries are arbitrary, fail to consider all ranges of income, and historically reinforce class divisions. **Taxation should instead be grounded in the neutrality of a mathematical postulate.**

I propose a Deviation Equity Tax Model. You may skip ahead to the breakdown of this method, however I'd like to take the time to express my issues, the current tax brackets as well as various other models. To put it bluntly, many modern taxation theorems ignore the true nature of the beast: our incomes form a massive matrix, and these systems fail to account for its entirety and shape. Taxation should not be based upon "gut" feelings—**tax rates need to be statistical, quantifiable, and adaptive.**

Brackets

Our Tax Brackets Make No Mathematical Sense.
The way we break up tax brackets is inherently nonsensical. But if we're to entertain the notion of segmenting income into brackets, we should first ask: what kind of segmentation makes sense when dealing with a range that spans from very small to very large numbers?

A mathematically coherent approach would be a **decreasing geometric progression partition**—a method where each bracket covers a progressively smaller range, reflecting the diminishing marginal utility of income.

	+101 k	+101 k	+101 k	+101 k	+101 k	+101 k	Infinite or repeat pattern
	1st Bracket	2nd Bracket	3rd Bracket	4th Bracket	5th Bracket	6th Bracket	7th Bracket
A)	0 → 101,500	101,500 → 203,000	203,000 → 304,500	304,500 → 406,000	406,000 → 507,500	507,500 → 609,000	609,000 <
B)	0 → 165,073	165,073 → 297,131	297,131 → 402,778	402,778 → 487,295	487,295 → 554,909	554,909 → 609,000	609,000 <
	1st Bracket	2nd Bracket	3rd Bracket	4th Bracket	5th Bracket	6th Bracket	7th Bracket
	+165 k	+132 k	+106 k	+84.5 k	+67.6 k	+54.0 k	Infinite or repeat pattern

Diagram 2: Numerical Comparison of Segmentation Models
This table compares linear and geometric partitions of the $0–$609,000 range into six segments. The arrows indicate how much a bracket increases by. The linear model uses equal jumps of $101,500, while the geometric model starts at $152,250 and shrinks by a factor of 0.8 per segment.

You might ask: why segment at all? Or what does "decreasing geometric progression partition" even mean? Let's unpack it. In 2024 and 2025, the U.S. federal income tax system uses **seven brackets**, ranging from $0 to roughly $609,000. To evaluate how this range could be segmented more logically, let's compare two alternatives:

- **(a) Linear segmentation** — equal-sized brackets
- **(b) Decreasing geometric segmentation** — brackets that shrink exponentially

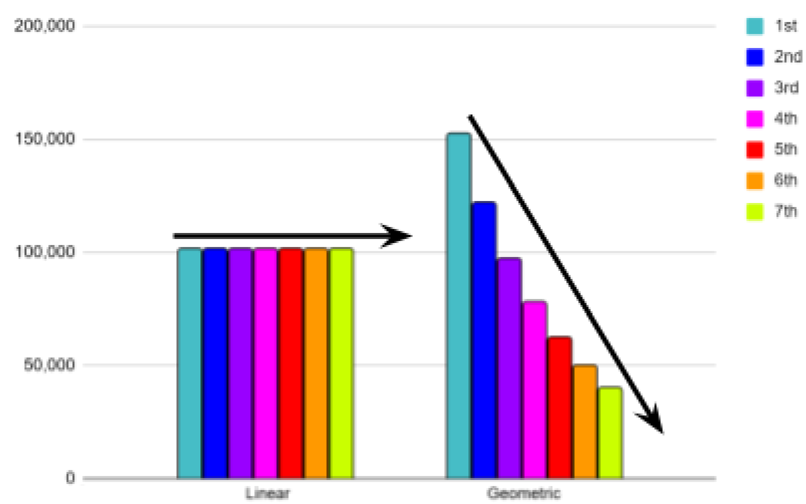

Diagram 3: Visual Scale of Segment Sizes
This bar chart shows how the linear model maintains consistent bracket widths, while the geometric model shrinks each bracket progressively.

In the graphs illustrated in diagram 3, we can see how these hypothetical brackets would look like. A linear progression would mean blunt dissections without any regard to the value of its subjects. Whereas, a decreasing geometric progression would result in brackets that conform more appropriately to a number range.

Lastly, let us take a look at how current-day brackets are structured. Data for this is directly sourced from the federal income tax rate for 2024 from the IRS.

	+11.6 k	+35.5 k	+53.4 k	+91.4 k	+51.7 k	+36.6k	Infinity
	1st Bracket	2nd Bracket	3rd Bracket	4th Bracket	5th Bracket	6th Bracket	7th Bracket
Year 2025	0 → 11,600	11,601→ 47,150	47,150 → 100,525	100,526 → 191,950	191,951 → 243,725	243,726 → 609,350	609,350 <
Tax	10%	12%	22%	24%	32%	35%	37%

Diagram 4: Visual Scale of Segment Sizes
This table shows the actual income ranges and marginal tax rates. The arrows indicate how much a bracket increases by.

Linear segmentation
It fails to account for the vast difference between low and high incomes. It treats each bracket as equally spaced, which ignores the exponential nature of wealth accumulation. Useful

implementations for linear segmentation are found in contexts like physical distances or measurement scales, where equal spacing makes sense because the units themselves are uniform.

Decreasing geometric segmentation
It becomes impractical with many brackets. As the range shrinks, brackets become too narrow, complicating implementation. Yet out of all the options, this model is arguably the most fitting for defining tax brackets because it respects proportional differences: it broadens the lower-class ranges while compressing increasingly higher-class boundaries, reflecting the diminishing marginal utility of income. It's essentially about allocating a finite resource into progressively smaller portions, which makes sense in contexts where the early segments need to be larger and later ones taper off. Such use-case examples would be time management, or resource distribution in a project.

Exponentially increasing segmentation
This is where a bracket is wider than the one preceding, superficially simplifies the structure but fails to reflect the disproportionate burden on lower-income earners. Its usefulness lies in contexts where growth itself is exponential, such as population scales, compound interest, or technological adoption curves—but it is poorly suited for taxation, where fairness requires sensitivity to relative differences.

Current brackets are neither linear, geometric, nor consistently exponential.
I won't even bother with critiquing the current marginal tax rates for now—the segmentation alone for these brackets creates severe distortions rippling the burden to lower classes. The system resembles exponential segmentation until the last two brackets. For the 5th bracket the range diminishes, and then the sixth bracket has an infinite range above 609k.

Segmentation defines who is grouped together in a bracket. When the range of a bracket is small, the diversity of incomes within it is also small, meaning the tax rate applies to a relatively uniform group. But when the range of a bracket is wide, it lumps together people with vastly different financial realities.

Because the majority of individuals are not wealthy, starting with a very narrow first bracket essentially says: only a small slice of the population benefits from the lowest rate. As you move upward, the brackets widen dramatically. This means that within a single bracket, you may have individuals for whom a 20% tax is crushing and others for whom 20% is barely noticeable. The segmentation itself creates inequity by failing to respect proportional differences.

The distortion becomes most obvious at the top. The final bracket stops at $609,000, but it applies the same rate to someone earning $609,000 and someone earning $10 million. At 37%, the $609,000 earner is left with about $384,000, while the $10 million earner keeps $6.3 million. Both are "wealthy," but the relative burden is far more noticeable for the lesser earner, whose cost of living is impacted much more severely.

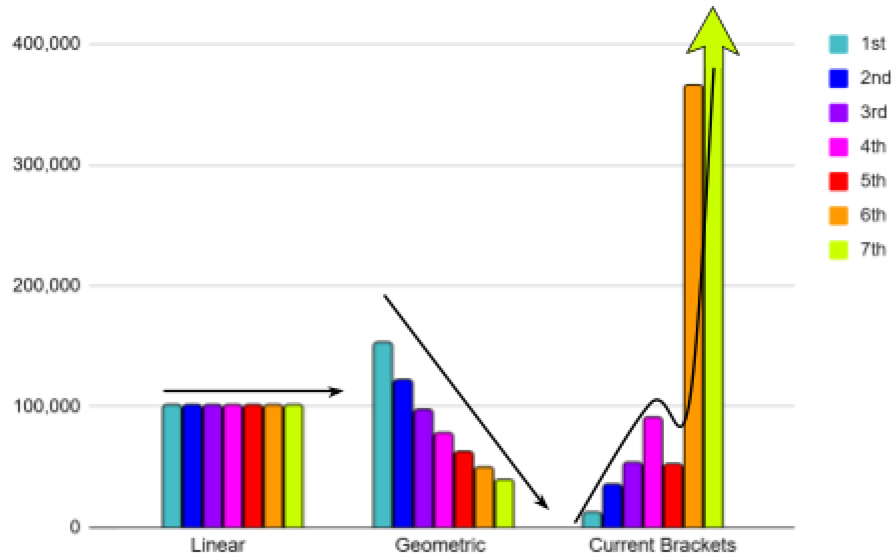

Diagram 5: Visual Scale of Segment Sizes
This chart compares the size of each bracket under three models. The current system shows erratic jumps, with an inconsistent, mostly exponential pattern.

In short: segmentation that widens as income rises embeds inequality into the tax system. It ignores the principle that fairness requires proportional treatment, not arbitrary grouping. Even before marginal rates are considered, the bracket structure itself tilts the playing field.

Now I will analyze various other tax models. Please keep in mind my regards towards brackets as you continue through this passage.

Common and/or Existing Tax Models

Flat tax
Also known as proportional tax, requires all individuals to pay the same percentage of their income. Malcolm Forbes was famously a vocal advocate of a flat tax. He proposed that individuals earning less than $33k should be exempt from paying any taxes, and all others who earn above this should pay 17%. While indeed more simplified than the currently employed tax model, and eliminating the need for brackets, it actually reinforces classism. Those with little or no ownership are asked to surrender funds essential for survival, while individuals who are wealthy do not face an equivalent burden. Its math is simple, but it disregards the exponential spread of incomes and the hoarding of wealth. Drawing a straight line through an exponential range only empowers the oppressor.

Progressive tax
Defines rates that rise with income. The poor pay less and the wealthy pay more — in theory. However, it relies on dividing society into lower, middle, and upper classes based on a median

income. Therein lie two significant issues: the usage of brackets, and using the median value as a means to describe a massive range. Once more, brackets are faulty, and the only way to combat them is to have many brackets defined in decreasing geometric segmentation. The other issue is reliance on the median value to determine classes. Once a data range becomes extensive, the median ignores the overall shape of the data, is insensitive to outliers, and gives no insight into spread. It masks subpopulations (like the top 1% of the upper class) and fails to capture multidimensional relationships. Thus, medians cannot be aggregated across a large matrix without losing integrity as to the meaning of the data. Progressive tax, though far more effective than a flat tax in dispersing burden, is simply the other side of the coin of inequality.

Regressive tax
It is a subject that does not require much dissection. It is defined by having lower-income individuals pay a higher proportion of their income toward taxes. It is the theoretical inverse of progressive taxation. It is simply and easily more burdensome than flat tax or progressive tax. Not effective for dispersing wealth and not good for the economy. The only way I could see this being effective is if it is paired with negative taxation.

Negative income tax (NIT)
This is an interesting one—it means that individuals who earn below a certain income threshold will receive payments from the government. In my tax model, I incorporate negative income taxation. One common critique is that it diminishes work incentives. It has also been described (by FasterCapital) as being a "poverty trap," warning that if benefits are phased out too suddenly, earning additional income may feel "pointless." However, I feel these two concerns can be dismissed if executed properly. Another concern that is more reasonable is that it could be very expensive to maintain. Additionally, if done without adjustments, a flat NIT could result in inadequate support for some individuals while oversupporting others who need less. It requires careful calibration and was intended to replace welfare programs. I think negative taxation has great promise, and as we continue, you will see that my tax model employs a mixture between flat and regressive negative taxation.

Wealth-based taxation
Is based upon assets, property, and/or net worth, and thus levies this wealth minus debts. Though not widely implemented, countries such as Spain, Norway, and Switzerland impose a wealth tax. It is a tool for addressing inequality, but is not a widespread model due to the practical challenges of its usage. There are concerns that it would encourage wealthy individuals to move their assets or themselves abroad to avoid the tax. Additionally (according to the Tax Foundation), many countries that have implemented it have found that it yields marginal returns for the cost of appraisal and maintenance, minimizing its potential benefits. One of the more significant issues with it is that it is difficult to conduct. To appraise and value assets, especially illiquid ones such as artwork or private businesses, is costly and complex — especially on a wide scale. To me, wealth tax treats the symptom of a failure of proper taxation rather than offering a solution; perhaps it can be employed effectively, but it is ultimately an overcorrection for an overarchingly inadequate model.

Logarithmic tax
Applies a logarithmic function to income to determine tax liability. Instead of taxing income linearly (as in a flat tax) or through tiered brackets (as in a progressive tax), taxation increases according to logarithmically informed assessments. In essence, tax becomes a proportionate ratio — a function of both income and its distance from a chosen reference point

Logarithms compress large numbers, which can help tame extreme disparities. However, current proposals often fail at effective redistribution: high-income individuals may end up paying only marginally more than middle earners, while low-income individuals face steep jumps. For example, the difference between log(500) and log(5,000) is proportionally large, meaning the poorest may feel a heavier burden relative to their means.Ironically another common problem with some logarithmic tax formulas is that they can suddenly become too aggressive toward taxing the middle and upper class, producing unrealistic results if not carefully calibrated.

Yet the model is powerful: if designed correctly, it offers a way to balance fairness and efficiency, potentially becoming integral to solving the problem of proper taxation once and for all. With all prerequisites covered, I will now introduce to you the solution for taxation upon individual filers.

INTRODUCTION

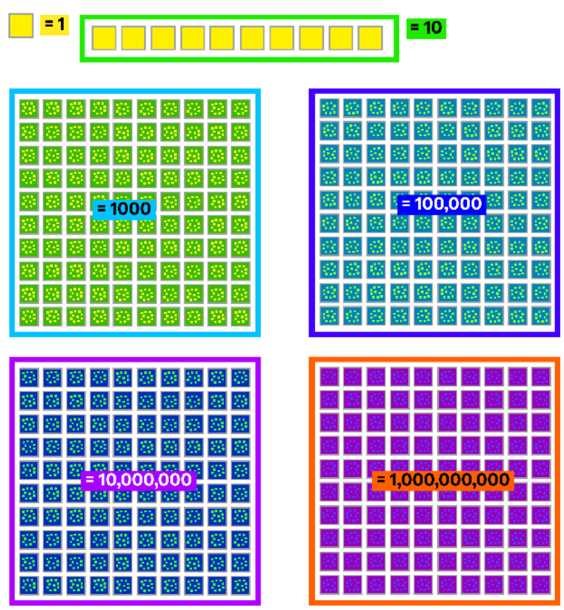

Diagram 6: Conceptualizing Immensity of Numbers
One yellow block equals one unit. A 10 by 10 grid where one green block equals ten units results in 1,000 units (cyan). This pattern is repeated for 100k, 10M, and then 1T.

When I first considered the quandary of proper taxation, I conceptually envisioned a graph stretching from zero to one trillion. Yet it is impossible to truly "envision" such a number as a trillion, let alone contrast it against zero; the differences in scale are incomprehensible. Still, I wondered: could there be a method that taxes proportionately, discourages severe and extreme wealth accumulation (and thus unethical business practices), while simultaneously calculating the degree of benefit for those below a certain threshold? I wanted a system with as few dependent variables as possible. The more dependent variables a system contains, the more prone it is to manipulation. To me, brackets are an example of a dependent variable.

I spent considerable time trying to grasp the immensity of large numbers. My journey began by first learning how to calculate inflation and CPI. I browsed IRS archives, studied tax rates from 1913 to the present, examined minimum wage trends across the same span, and compared CPI inflation/deflation of former years to modern years. I calculated, decade by decade, how many billionaire-equivalents existed using 2025 inflation-adjusted benchmarks.

Despite the fact that the rich do indeed get richer — with only five billionaire-equivalents in 1913 compared to over 800 in 2025 — there has always been significant disparity in how we invoke taxation. It is notable that the value of the dollar becomes exponentially depreciated over time. I could not help but see parallels between federal taxation and the rate of depreciation of the dollar. The most staggering dip in laxness (regarding the burden on the upper class) and improper taxation occurred during the era of Reaganomics. See Diagram 7 for a comparison of minimum wage values in 2025 dollars, adjusted for CPI and inflation, and how prior years measure up.

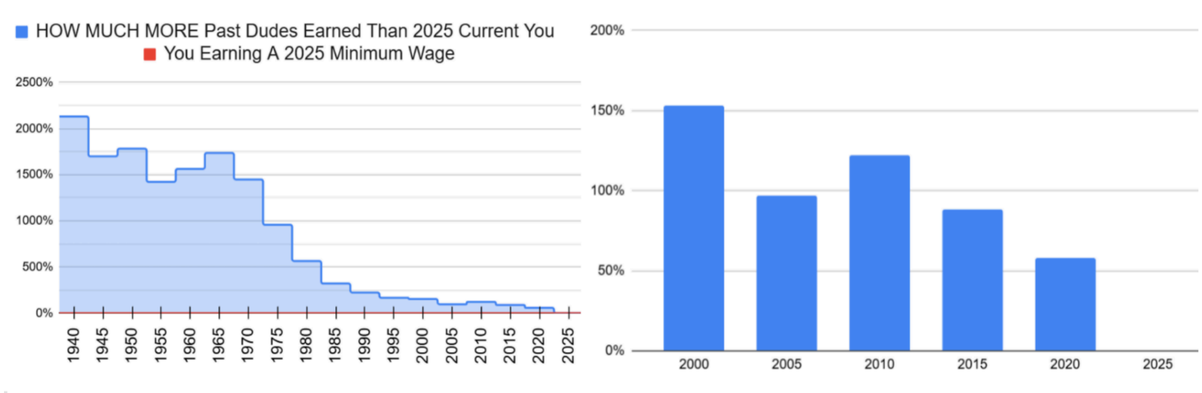

Diagram 7: Minimum Wage in 2025 Compared to the Past
Two graphs showing how much more someone in the past made on minimum wage compared to what someone makes in 2025. In the first year federal minimum wage was established, in 1913 minimum wage was $0.13. Meanwhile, a 2025 minimum wage doesn't even equate to a penny's worth per hour in that year.

Taxes exist to fund the government, and the government cyclically is the people. Taxes should not be based upon a morally failing president, nor arbitrary brackets, crude one-size-fits-all rates, or inversely temperamental exponential rates. No — we need scaling, proportional change, and data transformation. Without further ado, I present to you the **Deviation Equity Tax**.

DEVIATION EQUITY TAX MODEL

The Deviation Equity Tax is an alternative system that employs statistical methods and a fixed anchor point for income comparison and redistribution. It draws inspiration from both negative income taxation and the logarithmic approach to taxation.

At its core, the model uses an anchor value (an inflection point) to determine whether an individual receives benefits or pays taxes. A floor value is also set to ensure government spending on benefits remains sustainable.

- **Below the anchor value**: Individuals earn less than the anchor and are awarded benefits at a proportional rate.
- **Benefits floor**: If income falls below a certain minimum, benefits are capped at the floor value. This prevents runaway costs while still guaranteeing a baseline of support.
- **Above the anchor value**: Individuals begin paying taxes. Starting rates are low, but taxation increases as income rises.
- **Distance from the anchor**: The further income deviates above the anchor, the higher the tax rate becomes. This creates a smooth, continuous progression rather than arbitrary bracket jumps.
- **Upper limit**: At extreme deviations, taxation approaches 100%. In this case, all income above the anchor is redistributed, ensuring that anyone earning less than the anchor receives at least the anchor amount.

The Deviation Equity Tax Model consists of the following variables and formulas: Baseline Anchor, Minimum Income Floor, Income, Deviation Ratio, Raw Taxation, and Final Income.

Now to put things in far more tangible terms let us discuss the formals and variables.

Baseline Anchor (BA)

Definition: The Baseline Anchor is the central reference point for the tax model. It represents the income level at which taxation transitions — those earning below it receive benefits, and those earning above it begin paying taxes. It serves as the “inflection point” for redistribution.

Symbol: B
Value: $B=20,000$

Minimum Income Floor (MIF)

Definition: The Minimum Income Floor is the guaranteed baseline of support. If an individual earns less than this threshold, they are awarded benefits up to the floor value. This prevents benefits from exceeding government budgets while ensuring that no one falls below a minimum standard of living.

Symbol: M
Value: $M = 15,000$

Income

Definition: Income represents the actual earnings of the individual. It is the input variable against which the Baseline Anchor and Minimum Income Floor are compared.

Symbol: I
Formula: $I' = \max(I, M)$
Value: *Varies by individual — e.g., $5,000, $50,000, $500,000, etc.*

Deviation Ratio (DR)

Definition: The Deviation Ratio is a Relative Deviation Score. It measures how far an income deviates from the Baseline Anchor, normalized by the logarithmic scale. This ensures proportional differences are respected across small and large incomes. Then it is divided by 100 to treat it like a percentage.

Formula: $d = ((\log(B) - \log(I))/\log(B))/100$

Raw Taxation (RT)

Definition: Raw Taxation is the preliminary tax (or benefit) amount calculated directly from the deviation ratio. It represents the unadjusted redistribution before applying caps or floors. If raw tax exceeds the individual’s income, they will be supplemented with an income equal to the Minimum Income Floor.

Formula: $r = I * d$

Final Income (FI)

Definition: Final Income is the last calculation made in order to determine an individual's income after taxes.

Symbol: f
Formula: $f = max(I + r, M)$

DET Mathematical Proof

Step 1: Define the variables.

I = *Income*
M = *Minimum Income Floor*
B = *Baseline Anchor*
d = *Deviation Ratio*
r = *Raw Taxation*
f = *Final Income*

Step 2: Adjust income for the floor.
The model requires that no income falls below the Minimum Income Floor. Therefore, define adjusted income:

$$I' = max(I, M)$$

If $I < M$, *then* $I' = M$
Else $I' < I$.

Step 3: Calculate the deviation ratio.
Deviation is measured logarithmically relative to the Baseline Anchor:

$$d = ((\log(B) - \log(I))/ \log(B))/100$$

This normalizes the difference between income and the anchor, compressing large values while magnifying small ones.

Step 4: Compute raw taxation.
Raw taxation is proportional to adjusted income and its deviation:

```
r = I' * d

If d < 0, (negative taxation).
If d > 0, this represents taxes owed.
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Step 5: Determine final income.
Final income is adjusted income plus raw taxation, but never less than the floor:

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f = max(I + r,M)

If I < M, then f = M
If I ≥ M and I + r ≥ M, then f = I + r
If I ≥ M and I + r < M, then f = M
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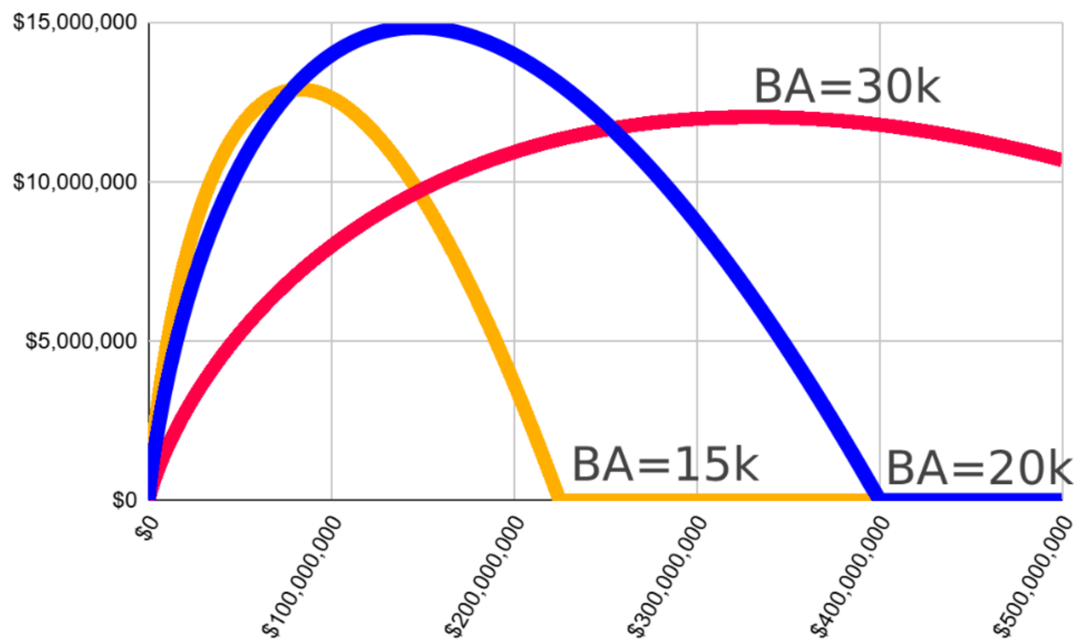

Diagram 9: Effect of Changing The Baseline Anchor Value
This shows that by changing the BA, alters how benefits and taxation are delivered.

At a higher the BA, more benefits are given, taxes begin later and less severe
At a lower the BA, less benefits are given, taxes begin sooner and are more severe

The DET model can be adjusted by manipulating the Minimum Income Floor (MIF) and the Baseline Anchor (BA). The reason for so few dependent variables is to ensure accuracy, fairness, and transparency when adjusting values. There is no room for exceptions—the rate calculated is the rate paid.

Changing the MIF means that anyone who earns less than the MIF will be awarded benefits that level out to be the same as someone who is earning the MIF. This prevents the DET from generating too little or too much in benefits. If the MIF is equal to zero, then all individuals would be given exactly whatever is in relation to the value of BA (so that means individuals earning zero dollars would get zero benefits).

By increasing the value of the BA, this determines at what point benefits are cut off and taxation begins. Looking at diagram 9, we can see that when the BA is increased to 30k, taxation begins at much later values and benefits are given out at much greater extent. When decreased to 15k, fewer benefits are dispensed, and taxation begins much sooner.

The DET Model Compared To Current Taxes

Let us consider the current brackets and instead supplement my tax rates for those same numerical points. For this example, because there are no brackets in my model, I will simply show what the rate is at each income level that currently constitutes a bracket.

Net Income	$0	$11,601	$47,150	$100,526	$191,951	$243,726	$609,350
Tax Rate	≈ 1,543,500%	≈ 33.06%	≈ -8.66%	≈ -16.30%	≈ -22.84%	≈ -25.25%	≈ -34.50%
Income After Tax	≈ $15,436	≈ $15,436	≈ $43,067	≈ $84,136	≈ $148,118	≈ $182,193	≈ $399,127

Individuals who earn less than the Baseline Anchor (BA) are awarded benefits. If they also earn less than the Minimum Income Floor (MIF), then their benefits will result in a final income that matches that of someone earning, in this case, $15k with benefits. Thus, for the first bracket, individuals who earned $0 or $11.6k will have a final income of $15.4k. They will not pay 10% or 12% in taxes. They pay zero taxes.

For individuals who earned $47.1k, their income exceeds the BA, so they are taxed instead. For this individual, they will end up paying 8.6% in taxes as opposed to paying 12% (or 22% if they qualify for the next bracket).

Individuals with an income of $100.5k, will pay 16.3% in taxes instead of 22% (or 24% if they qualify for the next bracket).

Individuals with an income of $191.9k, will pay 22.84% in taxes instead of 24% (or 32% if they qualify for the next bracket).

Individuals with an income of $243.7k, will pay 25.25% in taxes instead of 32% (or 35% if they qualify for the next bracket).

Individuals with an income of $609.3k, will pay 34.5% in taxes instead of 37%.

Because this tax model does not require brackets, rates are calculated continuously and fairly. It may seem somewhat “forgiving” to the upper class. However, one must note that in this day and age, the upper class (someone earning over $609k) pales in comparison to the true and absolute wealth of higher-income earners. So let us continue our assessment of tax rates for ever-increasing incomes (see the chart below).

Net Income	$700k	$850k	$1M	$3M	$6M	$10M	$100M
Tax Rate	≈ -35.90%	≈ -37.86%	≈ -39.50%	≈ **-50.59%**	≈ -57.59%	≈ -62.75%	≈ -86.00%
Income After Tax	≈ $448,700	≈ $528,186	≈ $604,985	≈ **$1,482,160**	≈ $2,544,379	≈ $3,724,829	≈ $13,998,042

As you can see, because the DET model taxes individuals at *all* incomes, this means everyone will pay a percentage that is truly fair. At such rates, even the need to factor in deductibles is unnecessary. Rates are reasonable all throughout every social class.

CONCLUSION: DEVIATION EQUITY TAX

This is uncharted territory: taxing at these rates and incomes has not been seen in recent years. The last time such rates were implemented was in the 1960s, 1950s, and 1940s. For example, in 1944, there was a 94% income tax on individuals who earned a nominal amount of $200k — that equates to about $3.67M in modern dollars. So before assuming that 50% taxation is far too much for someone earning $3M, remember that throughout previous decades, millionaires were taxed far more heavily than they are today. Side note, in 1994 the U.S. had 23 brackets in total. DET avoids the “cliff effect”.

In 2024, individual filers made up approximately 50% of tax revenue. This amounted to $2.4T. Based on estimates of population, number of filers, and income ranges, it can be theorized that the Deviation Equity Tax Model **(DET) would have generated approximately $4.6T in taxes.** Not only would we have **nearly doubled our returns**, but DET would have also delivered approximately $59B in negative taxation. These are benefits built directly into the system. If an individual were to need additional support (e.g., a single parent earning minimum wage and caring for multiple children), the cost of providing that support would be significantly reduced. Additionally, this guarantees that no individual has to go an entire year completely penniless.

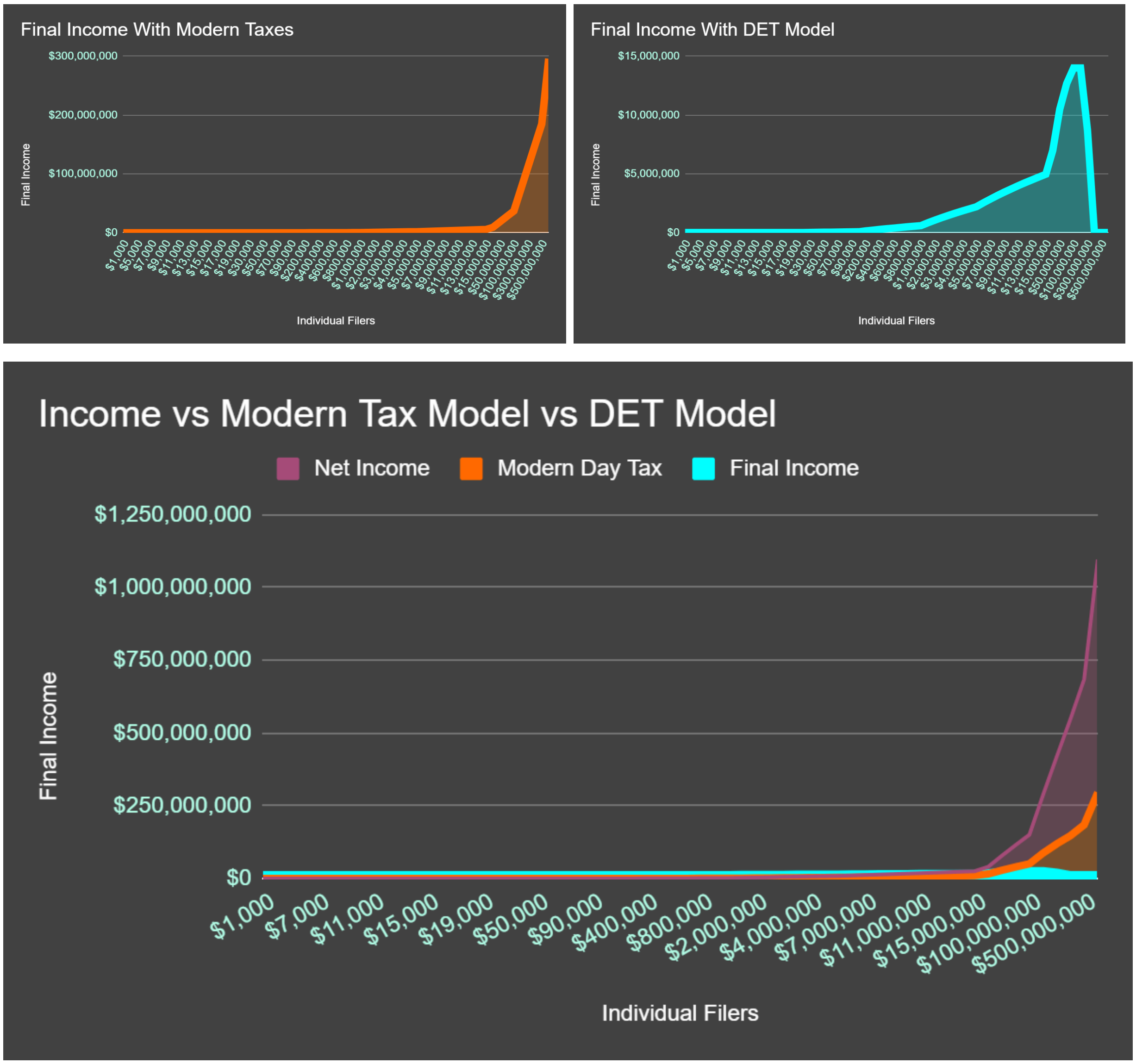

Diagram 8: DIRECT Comparison of The DET Model vs The Current Tax Model
The effects on income after tax. Top left shows the current day tax model. Top right shows Deviation Equity Tax. The bottom graph shows a comparison of income before tax (purple), income after current tax model (orange), income after DET (cyan).

*This graph **assumes** that high-end earning individuals actually pay their fair share in taxes.*

Because DET ensures that every individual who is the most vulnerable in society receives a baseline level of support — but not so much that it disincentivizes growth. Those earning below the anchor value are awarded benefits, and even as they begin to earn more, they continue to receive support while working toward higher income. The system encourages upward mobility without penalizing progress, **striking a balance between survival and incentive**.

The implications of the Deviation Equity Tax extend beyond revenue. By embedding negative taxation directly into the system, DET can reduce the need for separate welfare programs to guarantee a minimum standard of living. **This reduces administrative overhead and ensures that benefits are distributed automatically, proportionally, and predictably.**

Unlike bracket-based systems, DET does not rely on arbitrary cutoffs. Instead, it uses continuous scaling, which means that **every dollar earned is treated in proportion to its deviation from the anchor value.** This prevents the distortions that occur when individuals are penalized for crossing into a higher bracket by a single dollar.

Historically, the United States has experimented with extreme marginal rates. In the 1940s, top earners faced rates at and above 90% on multiple occasions over the years, and yet the economy grew rapidly in the postwar years. DET does not replicate those blunt instruments but instead creates a **graduated curve that reflects both fairness and sustainability**. At lower incomes, DET guarantees survival; at higher incomes, **it discourages excessive accumulation without eliminating incentive.**

The model also addresses one of the most persistent flaws in taxation: the disconnect between income distribution and tax burden. Current brackets group together individuals with vastly different realities — someone earning $610k is treated the same as someone earning $10M. **DET corrects this by scaling taxation continuously**, ensuring that the burden grows proportionally with wealth.

Finally, DET offers a philosophical shift. Taxes are not merely a mechanism for funding the government; they are a tool for shaping equity. By tying taxation to deviation from a shared anchor, DET reframes the system around proportional fairness rather than arbitrary divisions. **It is not about punishing wealth but about balancing the scales so that wealth accumulation does not destabilize society.**

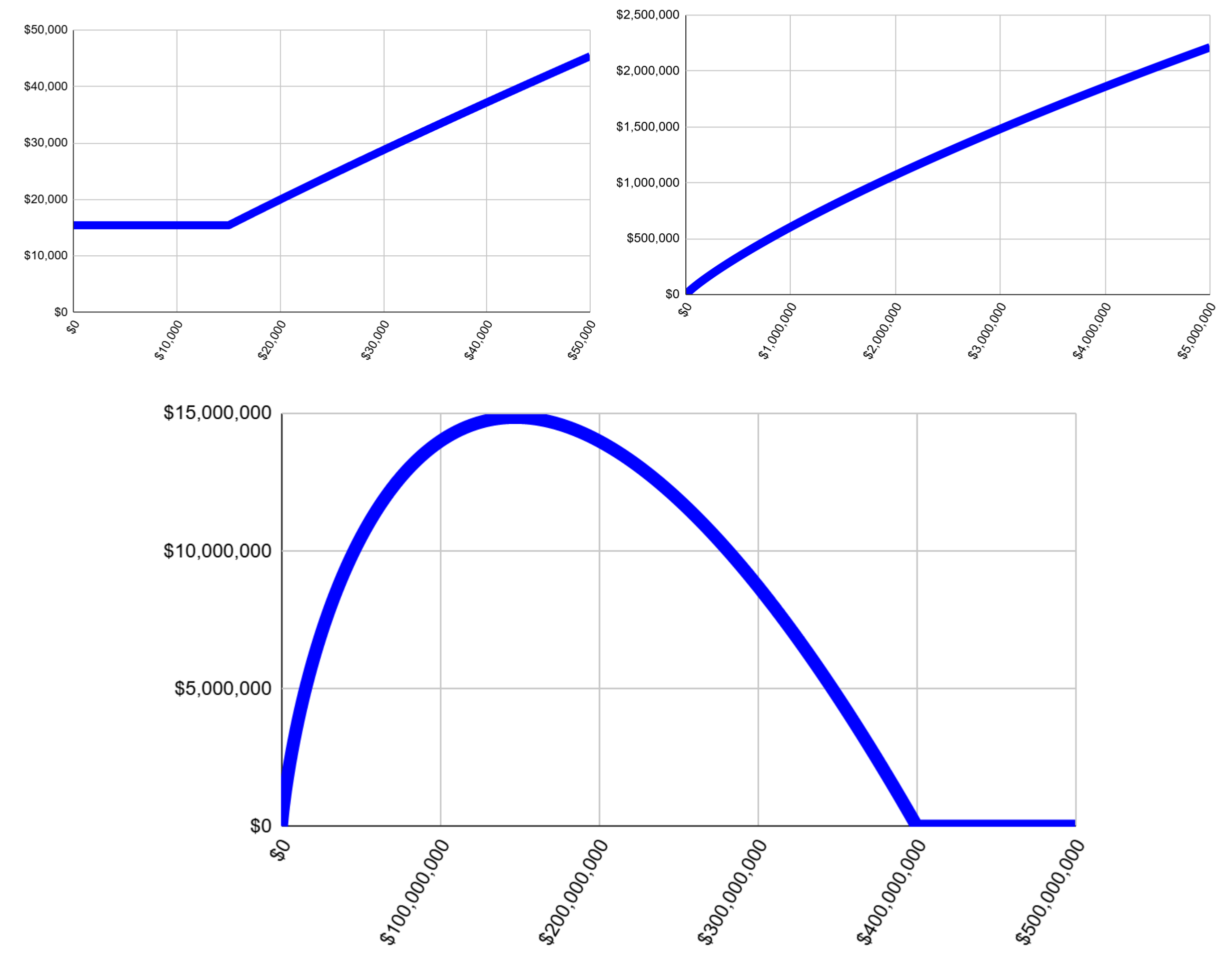

Diagram 8: DET Model's Effect On Income
This shows the effect the DET model has on income after tax at different scales. The upper left graph is in increments of 50 (0 to 50k). The upper right graph is in increments of 1000 (0 to 5M). The bottom graph is in increments of 100k (0 to 500M)