

Table 1: Tax Rates and Rates Reductions under Alternative Revenue-Recycling Methods

	<i>Tax1</i>	<i>Tax2</i>	<i>Tax3</i>	<i>Tax4</i>	<i>Tax5</i>
<b>Marginal Tax Rates</b>					
Labor	27.37	26.77	27.37	26.84	26.92
		(−0.60)		(−0.53)	(−0.45)
Dividends	23.44	22.92	23.44	22.98	23.05
		(−0.52)		(−0.46)	(−0.39)
Interest	28.06	27.44	28.06	27.51	27.60
		(−0.62)		(−0.55)	(−0.46)
Capital Gains	19.00	18.58	19.00	18.63	18.69
		(−0.42)		(−0.37)	(−0.31)
Corporate	46.00	46.00	37.96	45.10	46.00
			(−8.04)	(−0.90)	