















Income Tax Cuts Benefit the Rich more than the Poor



If your  
income is:

You pay

Your Tax is

In the U.S. the Income Tax is **progressive**

New Tax Rate

People with higher incomes got more  
money and the poorest got zero...

Individuals who earn more income pay a higher percentage rate

Suppose the Government cuts everyone's taxes by 5%

A cut in taxes puts more money in peoples' pockets. . . how much money?

You got an  
extra:





You now pay:







If your  
income is:

You pay

Your Tax is

100,000

40%

40,000

If your income is:	You pay	Your Tax is
100,000	40%	40,000



30,000

10%

3,000

If your income is:	You pay	Your Tax is
100,000	40%	40,000
30,000	10%	3,000

10,000

0%

0

If your income is:	You pay	Your Tax is
100,000	40%	40,000
30,000	10%	3,000
10,000	0%	0

# New Tax Rate

35%

# New Tax Rate

35%

5%



# New Tax Rate

35%

5%

0%

# New Tax Rate

35%

5%

0%

You now pay:

35,000

You now pay:

35,000

1,500

You now pay:

35,000

1,500



0

You now pay:

35,000

1,500

0

You got an  
extra:

5,000

You got an  
extra:

5,000

1,500

You got an  
extra:

5,000

1,500

0



You got an  
extra:

5,000

1,500

0

In the U.S. the Income Tax is **progressive**  
Individuals who earn more income pay a **higher percentage** rate

Suppose the Government cuts **everyone's taxes by 5%**

A cut in taxes puts more money in peoples' pockets...**how much money?**

If your income is:	You pay	Your Tax is	New Tax Rate	You now pay:	You got an extra:
100,000	40%	40,000	35%	35,000	5,000
30,000	10%	3,000	5%	1,500	1,500
10,000	0%	0	0%	0	0

People with higher incomes got more money and the poorest got zero...

Income Tax Cuts **Benefit** the **Rich** more than the Poor



