

Inflation Costs

- Taxes are charged on the nominal capital gain and NOT on the real capital gain you earned...

- Due to inflation, the real capital gain you earn is **LOWER** than the nominal capital gain

- **The higher inflation is, the larger is the difference between your real capital gain and your nominal capital gain**

- The higher inflation is, the larger is the difference between what you should pay in taxes (if charged on the real k gain) and what you actually pay (because they are charged on the nominal k gain)

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Inflation

Unfair Tax: People who make capital gains end up paying more taxes than they should due to inflation

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Unfair Tax: People who make capital gains end up paying more taxes than they should due to inflation



Inflation

Inflation: The most unfair tax...