





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

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

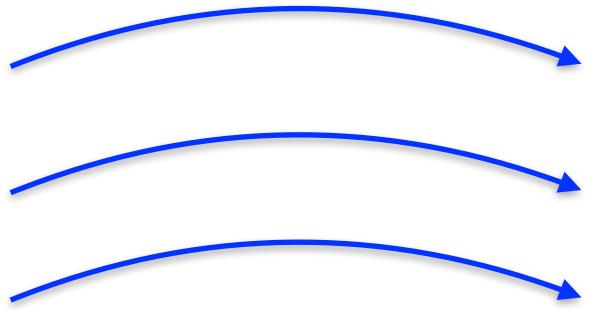
## People with higher incomes got more money and the poorest got zero...

## Individuals who earn more income pay a higher percentage rate

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

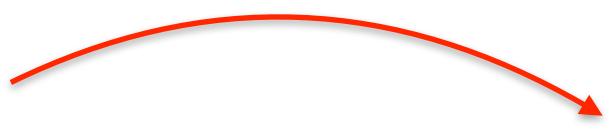
## A cut in taxes puts more money in peoples' pockets...how much money?

### You got an extra:



# You now pay:







## If your You pay Your Tax is income is:

100,000 40,000 40%

| income is: | rou pay | Your Tax Is |
|------------|---------|-------------|
| 100,000    | 40%     | 40,000      |

If your

| 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%

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



5%



35%

5%

### You now pay:

#### You now pay:

#### You now pay:



## You now pay:

35,000
1,500

5,000



5,000

#### 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                 |

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

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