

Income Tax Cuts Benefit the Rich more than the Poor

On

You pay

Your Tax is

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

New Tax Rate

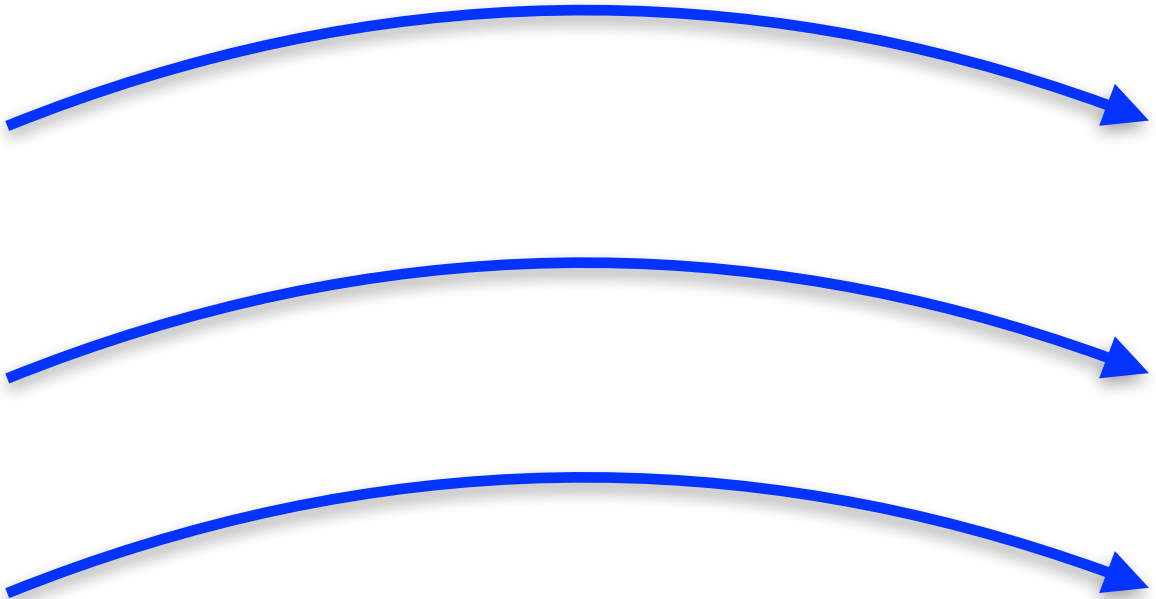
People with higher incomes got more
money and the poorest got zero...

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:







On

You pay

Your Tax is

609,000	37%	225,330
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On

You pay

Your Tax is

609,000

37%

225,330

1 1,600

10%

1,160

On	You pay	Your Tax is
609,000	37%	225,330
11,600	10%	1,160

10,000

0%

0

On	You pay	Your Tax is
609,000	37%	225,330
11,600	10%	1,160
10,000	0%	0

New Tax Rate

32%

New Tax Rate

32%

5%

New Tax Rate

32%

5%

0%

New Tax Rate

32%

5%

0%

You now pay:

194,880

You now pay:

194,880

580

You now pay:

194,880

580

0

You now pay:

194,880

580

0

You got an
extra:

30,450

You got an
extra:

30,450

580

You got an
extra:

30,450

580

0

You got an
extra:

30,450

580

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?**



On	You pay	Your Tax is	New Tax Rate	You now pay:	You got an extra:
609,000	37%	225,330	32%	194,880	30,450
11,600	10%	1,160	5%	580	580
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

