

Tax Game Choices & Explanations

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| | Your Marginal Income Tax | Your Average Income Tax |
|---------------------|-----------------------------|----------------------------|
| Top 1% | 30.0% | 23.5% |
| Top 20% | 20.0% | 13.1% |
| Upper Middle 20% | 10.0% | 5.4% |
| Middle 20% | 5.0% | 2.1% |
| Lower Middle 20% | 2.5% | 0.8% |
| Bottom 20% | 0.0% | 0.0% |
| | | |
| Dependent Deduction | \$0 | |
| Home Deduction | 0 Houses | |
| | | |
| Payroll Tax | 5.0% | |
| Threshold Level | \$4,000,000 | |
| | | |
| Sales Tax | 10.0% | |
| | | |
| Property Tax | 0.0% | |
| | | |
| Corporation Tax | 10.0% | |
| | | |
| Tobacco | \$5.00 | |
| Alcohol | \$3.00 | |
| Gasoline | \$8.00 | |
| | | |
| Wealth Tax | 0.50% | |

| | Your Total Tax Incidence |
|---|-----------------------------|
| Top 1% Over \$200,000 | 41.0% |
| Top 20% \$90,000 - \$199,999 | 24.8% |
| Upper Middle 20% \$60,000 - \$89,999 | 13.4% |
| Middle 20% \$40,000 - \$59,999 | 10.2% |
| Lower Middle 20% \$20,000 - \$39,999 | 9.4% |
| Bottom 20% Under \$19,999 | 8.6% |
| | |
| Revenue | \$2,024 Billion |
| Gini Coefficient | 0.34 |
| You have a "Progressive" tax. | |

Figure 1: Tax Game Choices

All Choices made for/in the game can be seen above in the attached image.

Marginal Income Tax

The income tax is progressive, increasing as income increases. The reason for my choice here is wealth-redistribution and is argument able with the usage of taxpayer's contributions. I believe the contribution one gives back to the community should equal the benefit they have from e.g. clean streets, maintained roads, green parks et cetera.

Payroll Tax

The payroll tax is *relatively* low, as to minimise the base amount of money taken from taxpayers before they even see a dime.

Sales Tax

The sales tax is relatively high, initially that may have reduced spending as a result, but the zero percent property tax will be relieved in turn. A common problem to look out for is that locals don't go do their shopping somewhere else, as it can often be seen in Switzerland.

Property Tax

A zero percent property tax is chosen because there shouldn't be a tax on ones property. There is an argument for the case in which the property value should be taxed because of it being in a very nice area, which has been caused by the surroundings and ultimately thanks to / responsibility of the state. I don't agree with that *per se*, as higher sales tax should even out the situation.

Corporation Tax

Corporate tax is at an average 10%, nothing much special here. It is lower than many countries, to incentivise entrepreneurial spirit and promote the formation of businesses that will also in turn hopefully drive the local economy and thus support a relatively high sales tax, strengthening the position in the market.

Excise Taxes

For me, tobacco is as dangerous/bad as alcohol and should be treated that way. In fact, following the UK's *psychoactive bill*, tobacco should even be considered less harmful as alcohol has much greater psychoactive effects than tobacco. Mine

does not coincide with the public's opinion, thus the alcohol tax is less than tobacco's to not become *paternalistic*.

Tobacco

As above described.

Alcohol

As above described.

Gasoline

Gasoline on the other hand, has much greater implications for many more systems it affects. Alcohol *only* damages your liver, tobacco has *passive smoking*, but gasoline kills the planet. Coupled with subsidies, the very high gasoline tax should be able to get through. A *green future* (CSR) campaign, may help support this point for a government.

Wealth Tax

There is a wealth tax, but a small one. The argumentation behind that can be that the local economy / workforce / ambience is much more productive and thus supports the wealth of the community. The Human resources, property values, everything is better and should therefore be compensated. The community being the *wealthy* and the wealthy being part of the community, with the focus on the aspect of empowering the local community.