## Net Income by Productivity Type $(\varepsilon)$ 2.4 $-\varepsilon = 0.60$ $-\varepsilon = 0.84$ 2.2 $\varepsilon = 1.19$ $\varepsilon = 1.67$ Net Income $(\lambda(R)(w\varepsilon)^{1-\tau})$ 8.0 0.6 0.2 0.3 0.4 0.5 0.1 0.6 0.7 0.8 0.9 0 Tax Progressivity $(\tau)$