

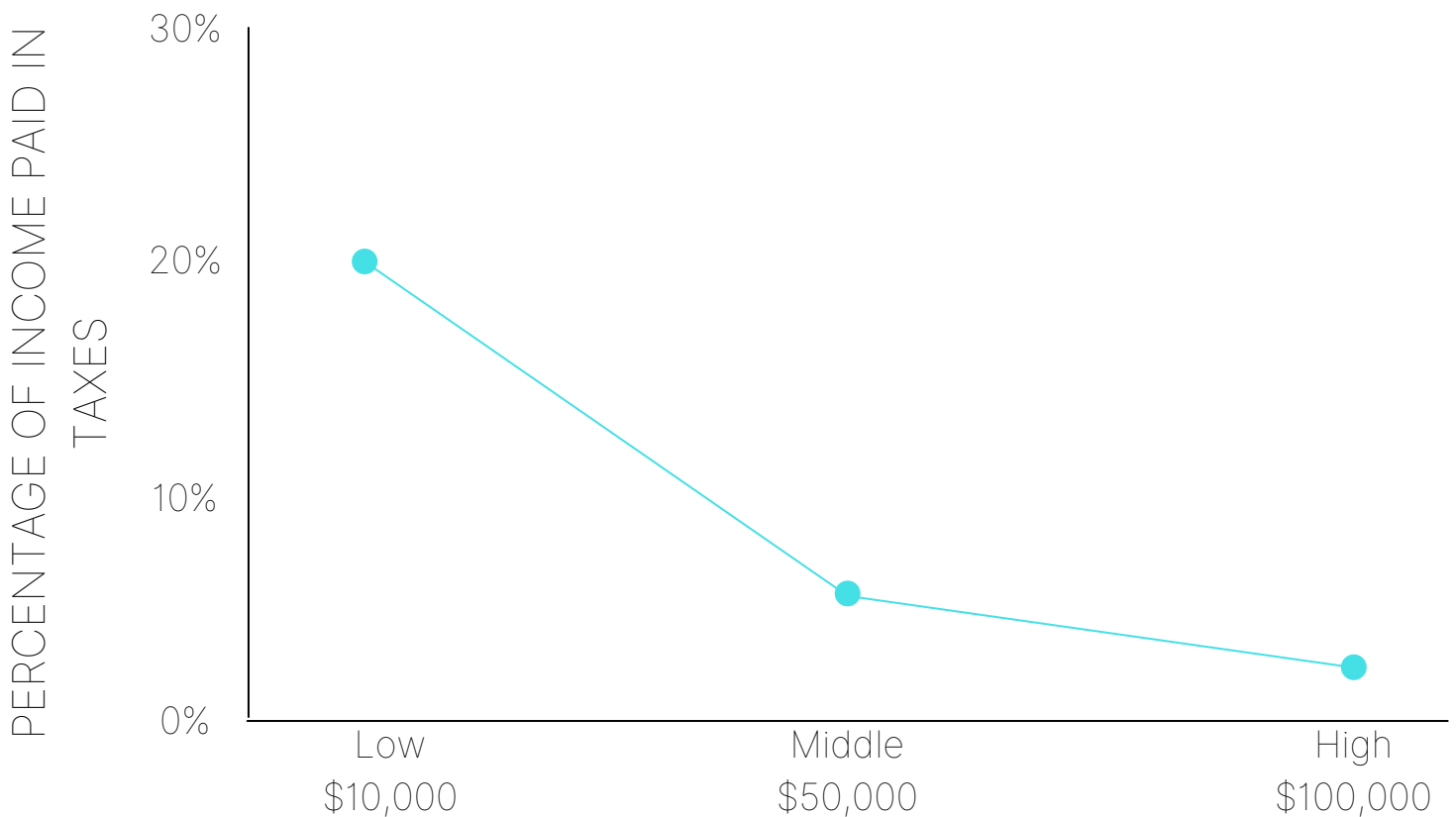
DIFFERENT U.S. TAX SYSTEMS



R E G R E S S I V E

The same tax bill is paid, regardless of income level. Which causes more burden on low-income earners compared to high-income earners.

Example: A low-income earner and a high-income earner each bought a vehicle and each spent \$20,000. The sales tax rate is 10%, therefore each paid \$2,000 in tax. That percentage of income paid in taxes is more of a burden to the low-income earner.



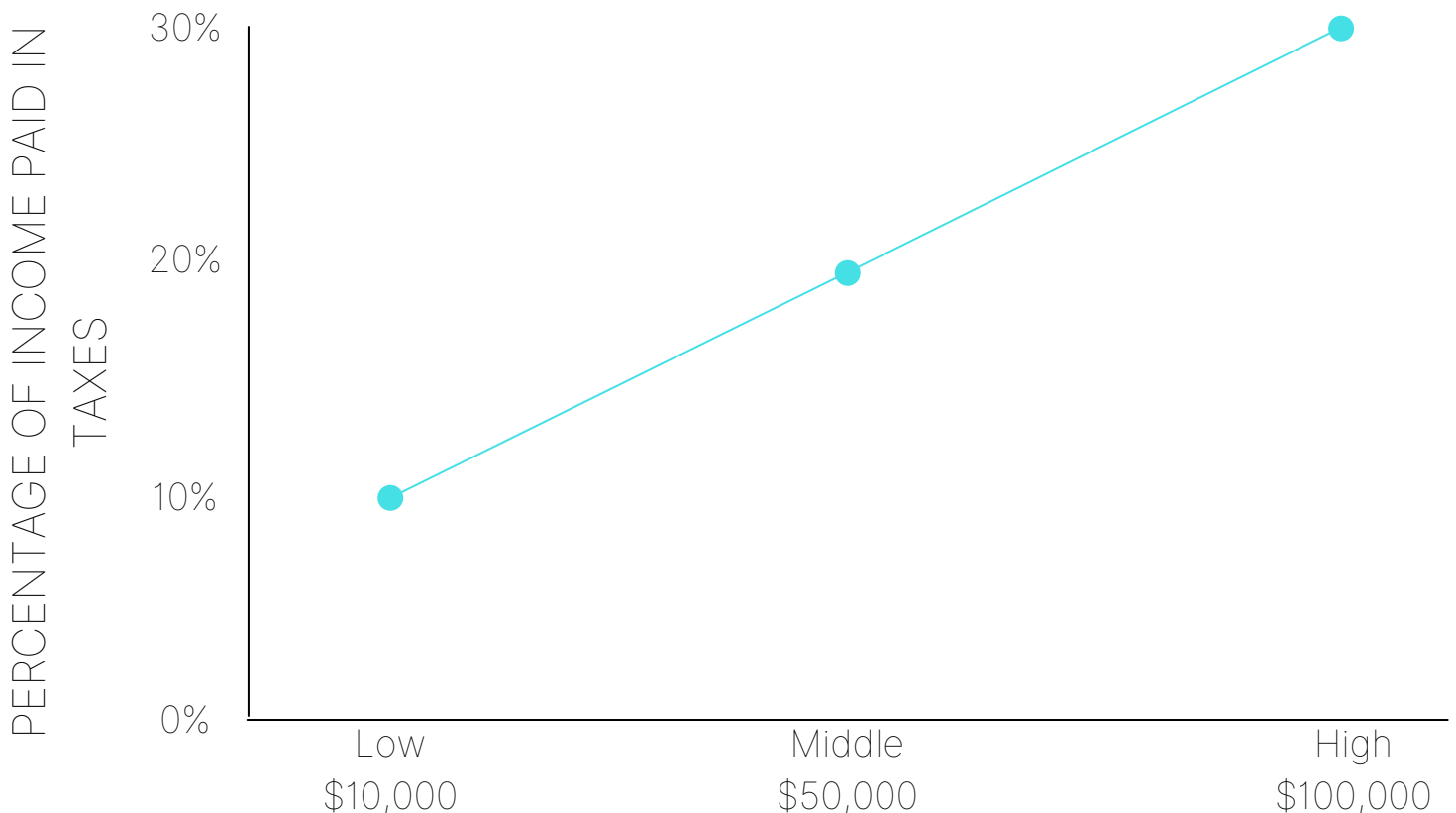
DIFFERENT U.S. TAX SYSTEMS



P R O G R E S S I V E

The tax rate increases as the taxable income progresses from low to high. Which causes the average tax burden to increase with income.

Example: The progressive tax brackets cause the following tax bills. The low-income earner pays \$1,000 in tax, middle pays \$10,000 in tax, and high pays \$30,000 in tax.



DIFFERENT U.S. TAX SYSTEMS



P R O P O R T I O N A L

The tax rate is fixed, otherwise referred to as a flat tax rate, with no change as the income increases or decreases.

Example: A low-income earner will pay \$2,000 in taxes, a middle-income earner will pay \$10,000 in taxes, and a high-income earner will pay \$20,000 in taxes.

