Understanding Taxes

Theme 3: Fairness in Taxes
The taxpayer—that’s someone who works for the federal government but doesn’t have to take the civil service examination.

— President Ronald Reagan
Fairness and Taxation
How to Measure Tax Fairness

- Ability to Pay
- Benefits Received
Ability to Pay
Taxes and Benefits Received
Regressive Taxes

Everyone pays the same fixed amount
User Fees

• Fund public services
Progressive Taxes

Higher Income = Higher Taxes
## Tax Brackets

<table>
<thead>
<tr>
<th>Single Taxpayer</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $11,000</td>
<td>10%</td>
</tr>
<tr>
<td>Over $11,000</td>
<td>12%</td>
</tr>
<tr>
<td>Over $44,725</td>
<td>22%</td>
</tr>
<tr>
<td>Over $95,375</td>
<td>24%</td>
</tr>
<tr>
<td>Over $182,100</td>
<td>32%</td>
</tr>
<tr>
<td>Over $231,250</td>
<td>35%</td>
</tr>
</tbody>
</table>
Wealth and Income

• Wealth: houses, cars, stocks, savings
• Income: wages, interest
Proportional Tax
FICA & Social Security
Sales Tax Holiday

- July 24
- November 24
- December 28

Tax-Free Holiday

- July 24
- November 24
- December 28
Fairness in taxes

Theme 3: Fairness in Taxes

Tax Freedom Day

April 21
Tax Freedom Day