

# Info Sheet 1

## How Regressive Taxes Affect Different Income Levels

Theme 3: Fairness in Taxes  
Lesson 2: Regressive Taxes

Regressive taxes include fixed amounts of tax on each individual or household. Here are three regressive taxes in the fictional country of Regressia. The charts show how the taxes affect lower, middle, and upper income levels.

<b>INCOME TAX IN REGRESSIA</b>		
<b>Income</b>	<b>Percentage of Income</b>	<b>Tax Amount</b>
\$10,000	60%	\$6,000
\$50,000	12%	\$6,000
\$100,000	6%	\$6,000

<b>HIGHWAY TOLL IN REGRESSIA</b>		
<b>Income</b>	<b>Percentage</b>	<b>Amount Paid for a Year's Worth of Tolls</b>
\$10,000	10%	\$1,000
\$50,000	2%	\$1,000
\$100,000	1%	\$1,000

<b>PROPERTY TAX IN REGRESSIA</b>		
<b>Value of Home</b>	<b>Percentage</b>	<b>Tax Amount</b>
\$50,000	20%	\$10,000
\$100,000	10%	\$10,000
\$300,000	3%	\$10,000