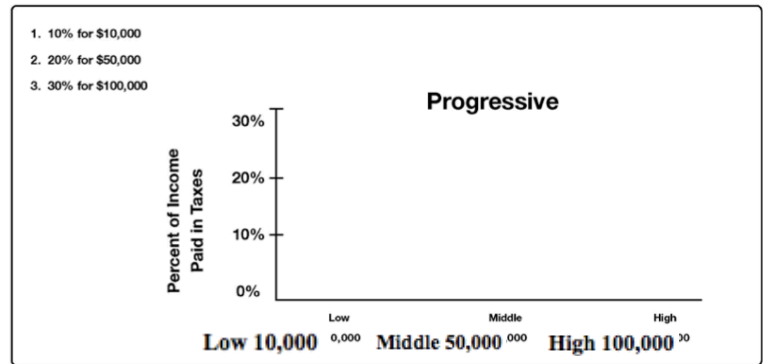
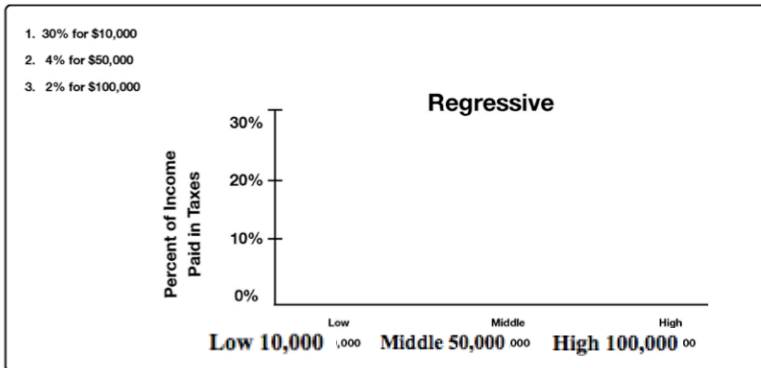


Taxes

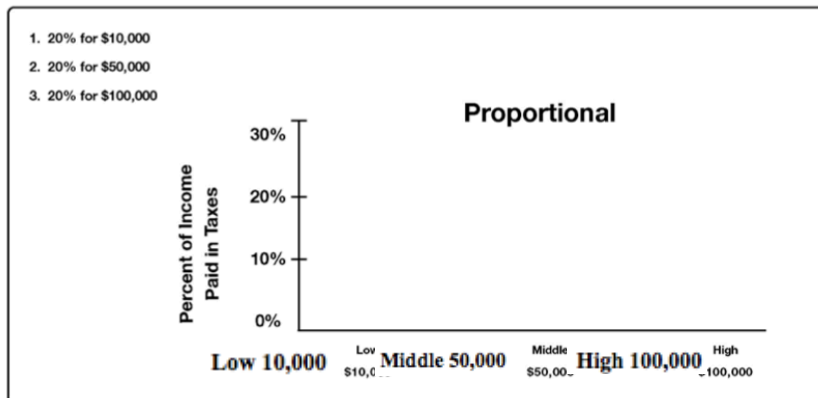
- A. According to the tables below, what amount of tax would people in each tax system pay?
 B. Plot each.

REGRESSIVE TAX			
	Income	Percentage of Income Paid in Tax	Amount of Tax
Family A	\$10,000	20%	\$2,000
Family B	\$50,000	4%	\$2,000
Family C	\$100,000	2%	\$2,000

PROGRESSIVE TAX			
	Income	Percentage of Income Paid in Tax	Amount of Tax
Family A	\$10,000	10%	\$1,000
Family B	\$50,000	20%	\$10,000
Family C	\$100,000	30%	\$30,000



PROPORTIONAL TAX			
	Income	Percentage of Income Paid in Tax	Amount of Tax
Family A	\$10,000	20%	\$2,000
Family B	\$50,000	20%	\$10,000
Family C	\$100,000	20%	\$20,000



1. Is the state gasoline tax regressive, progressive, or proportional? Why?
2. Do you think that excise taxes on such consumer products as automobile tires, jewelry, cosmetics, and travel would be regressive, progressive, or proportional? Why?
3. Which type of tax (progressive or proportional) is best for each group? (low, middle and high income)
4. Do you think that high excise taxes on items such as tobacco or alcohol should be used to discourage people from consuming those items?