

# Understanding Taxes



Theme 3: Fairness in 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





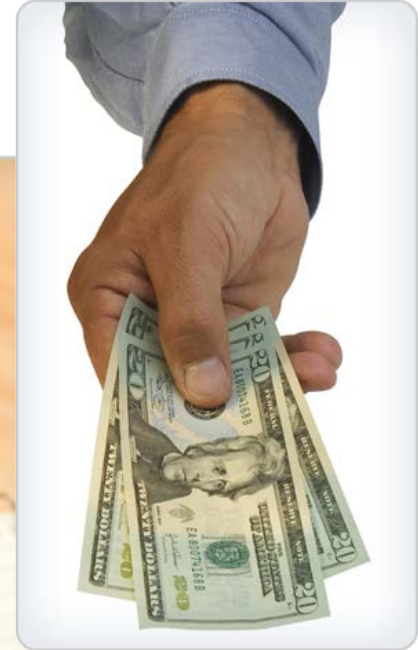
## How to Measure Tax Fairness

- Ability to Pay
- Benefits Received





## Ability to Pay

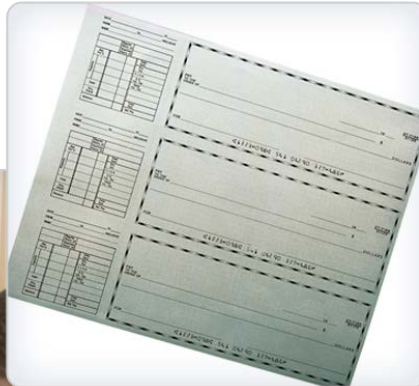






## Theme 3: Fairness in Taxes

# 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

Approximate U.S. Tax Brackets - 2023	
Single Taxpayer	Rate
<b>Under \$11,000</b>	<b>10%</b>
<b>Over \$11,000</b>	<b>12%</b>
<b>Over \$44,725</b>	<b>22%</b>
<b>Over \$95,375</b>	<b>24%</b>
<b>Over \$182,100</b>	<b>32%</b>
<b>Over \$231,250</b>	<b>35%</b>



## Wealth and Income

- Wealth: houses, cars, stocks, savings
- Income: wages, interest





## Proportional Tax



=



=







## FICA & Social Security





## Sales Tax Holiday





# Theme 3: Fairness in Taxes

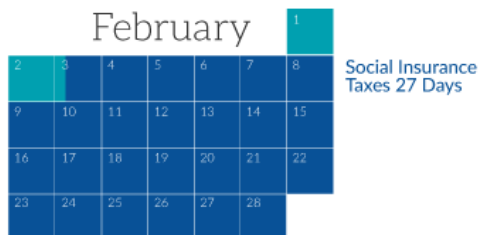
## Fairness in taxes

# Tax Freedom Day

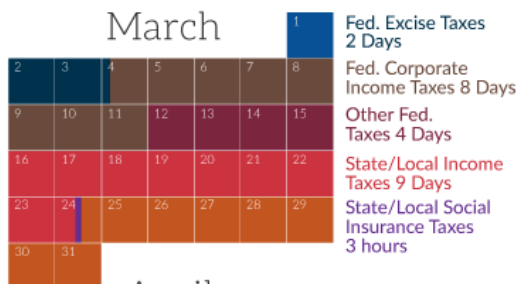
### January



### February



### March



### April



↑ April 21  
**Tax Freedom Day**

Understanding Taxes

