

The Progressive Federal Income Tax

Since the 1930's Americans have paid their federal income tax based on how much they make. The higher their taxable salary, the higher the tax bracket they are in. This is based on the ability to pay principle of taxation we've discussed.

Use the Money Chimp tax calculator to answer the following questions:

http://www.moneychimp.com/features/tax_brackets.htm

1. What percentage tax does someone pay who has a taxable income of \$8,000?
2. What tax bracket is someone in who has a taxable income of \$43,000?
3. What tax bracket is someone in who is a millionaire?

Use the Tax calculator to determine how much in taxes each person will pay in 2015. (Assume this person is filing as single.)

Taxable Income	\$28,000	\$ 106,000	\$ 402,000
Tax Amount			
As percentage of Income			
Tax Bracket			

According to the Money Chimp page on Federal Tax Brackets, are rates higher on **regularly taxed income** or on **long term capital gains and dividends** from stock?

What are the **deductions** that people are allowed to take that reduce their total amount of taxable income?

How many brackets were there in 1992?

How many brackets are there today?

In looking at tax rates from 1992 to the present, what has been the very top percentage tax bracket rate?

The Candidates' Proportional versus Progressive Tax Proposals

Ted Cruz's Proposal https://www.tedcruz.org/tax_plan_summary/

What is the flat tax rate that Ted Cruz is proposing for all individuals?

What is the business flat tax that Ted Cruz is proposing?

Donald Trump's Proposal: <https://www.donaldjtrump.com/positions/tax-reform>

Is Donald Trump proposing a proportional federal income tax or a progressive income tax?

How many brackets does his proposal contain.?

Hillary Clinton http://www.ontheissues.org/2016/Hillary_Clinton_Tax_Reform.htm

Does Hillary Clinton favor a proportional tax structure or a progressive one?

What does she propose in terms of taxes on wealthy and middle income people?

Bernie Sanders <https://berniesanders.com/issues/making-the-wealthy-pay-fair-share/>

Does Bernie Sanders favor a proportional or a progressive tax structure?

Which groups would Sanders like to see pay more taxes?

What do you think? Should we keep the progressive tax structure or adopt a proportional flat tax? Which candidate's proposals do you most favor?
