

For our “perfect” tax system we decided to pull a random group of people from our country, each in a different tax bracket starting at \$0 and going up to \$400,000. Our budget for the government is \$500,060 to be spent on resources like military, infrastructure, and health care. For example, the first tax bracket is from \$0 to \$18,000, the citizen we picked from this bracket is retired and on Social Security. In the next tax bracket there is an old, retired couple, both on Social Security, so the income is doubled.

Below is a chart demonstrating where the taxpayers money will go:

Education	\$150,000
Health Care	\$110,060
Military	\$50,000
Infrastructure	\$150,000
Transportation	\$40,000

If you look below, you can see that we have laid out our tax system in a chart. You might also notice that our percentages do not increase as steeply as tax brackets nowadays.

Tax Bracket	Percentage Taxed
\$0 - \$18,000	10%
\$18,000 - \$34,000	11.75%
\$34,000 - \$52,000	13.5%
\$52,000 - \$75,000	15.25%
\$75,000 - \$100,000	17%
\$100,000 - \$150,000	18.75%
\$150,000 - \$200,000	20.5%
\$200,000 - \$250,000	22.25%
\$250,000 - \$300,000	24%
\$300,000 - \$400,000	25%

This proposed tax plan does however contain a few major flaws. This tax proposal is suited for a small nation such as our made up one; if we were to *expand* this to a larger nation the groups being taxed in the very bottom sector would have difficulties maintaining a solid income while contributing to the required larger Budget Target. Even though our plan is reliable with the population we have now, if a

single high-end taxpayer is unable to pay (for reasons to be assumed) the Budget Total will be way under. In general this tax plan is efficient and possible, but it will be most successful in smaller communities.