

Figure 24-1: Revenue by type of tax

Total Government

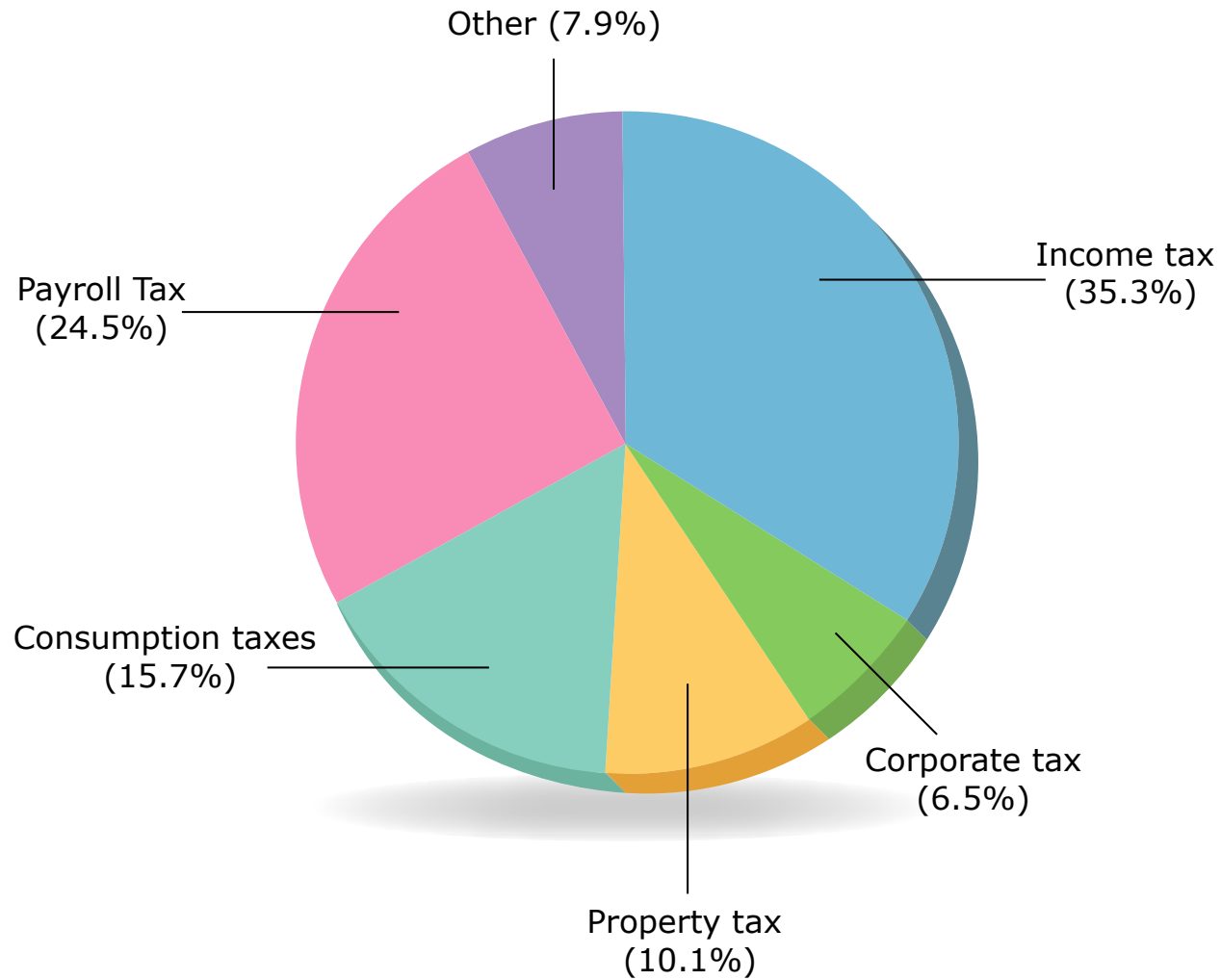


Image by MIT OpenCourseWare.

Figure 24-2: Marginal tax rates

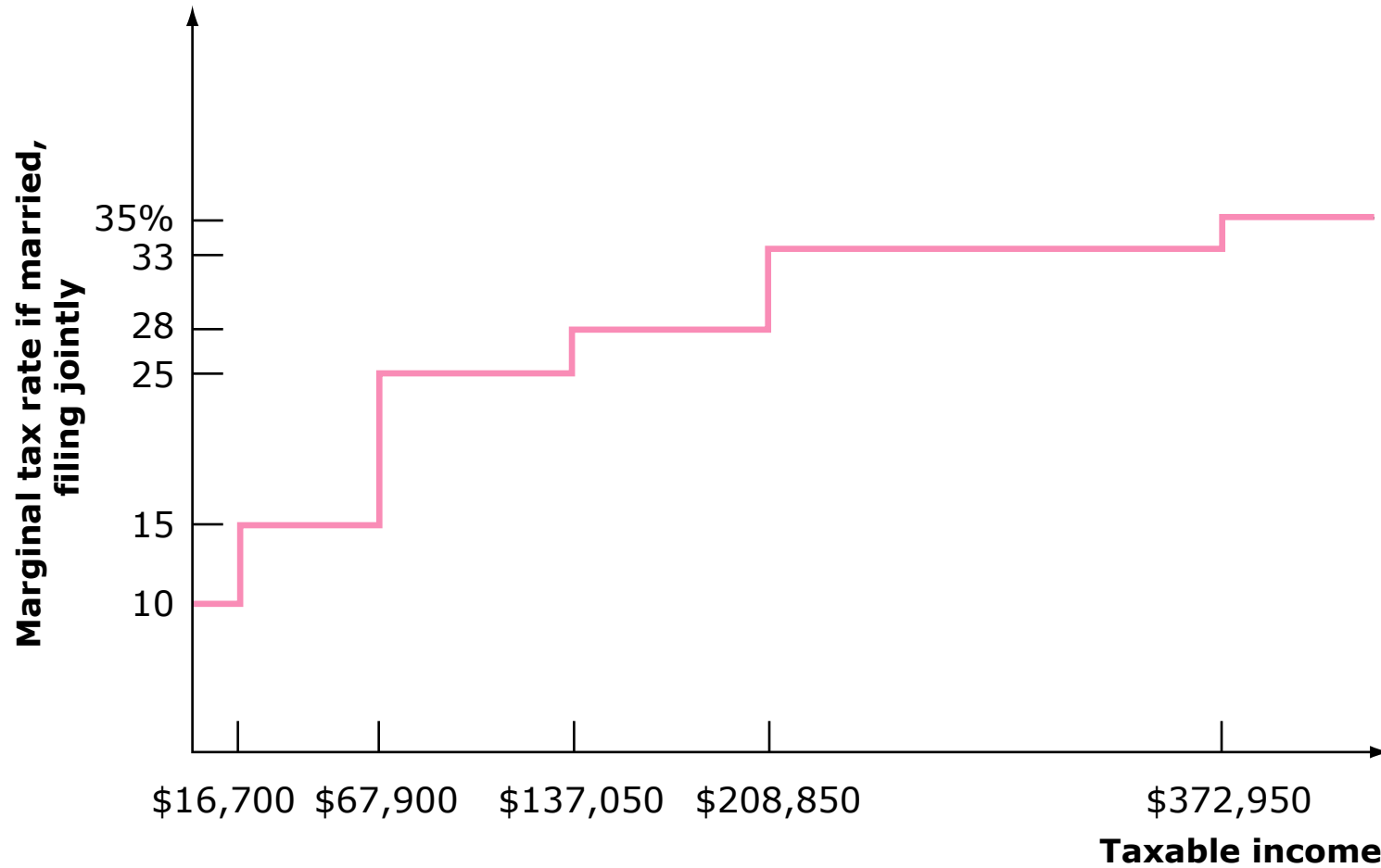


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Figure 24-3: Laffer curve

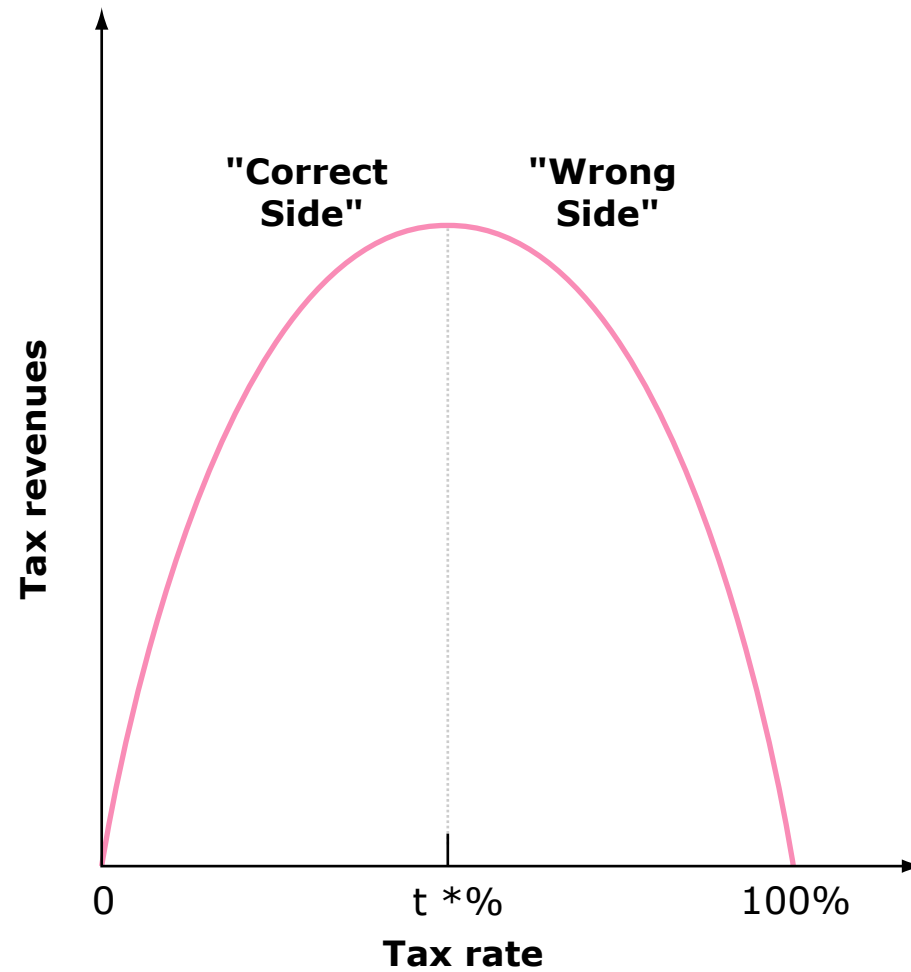
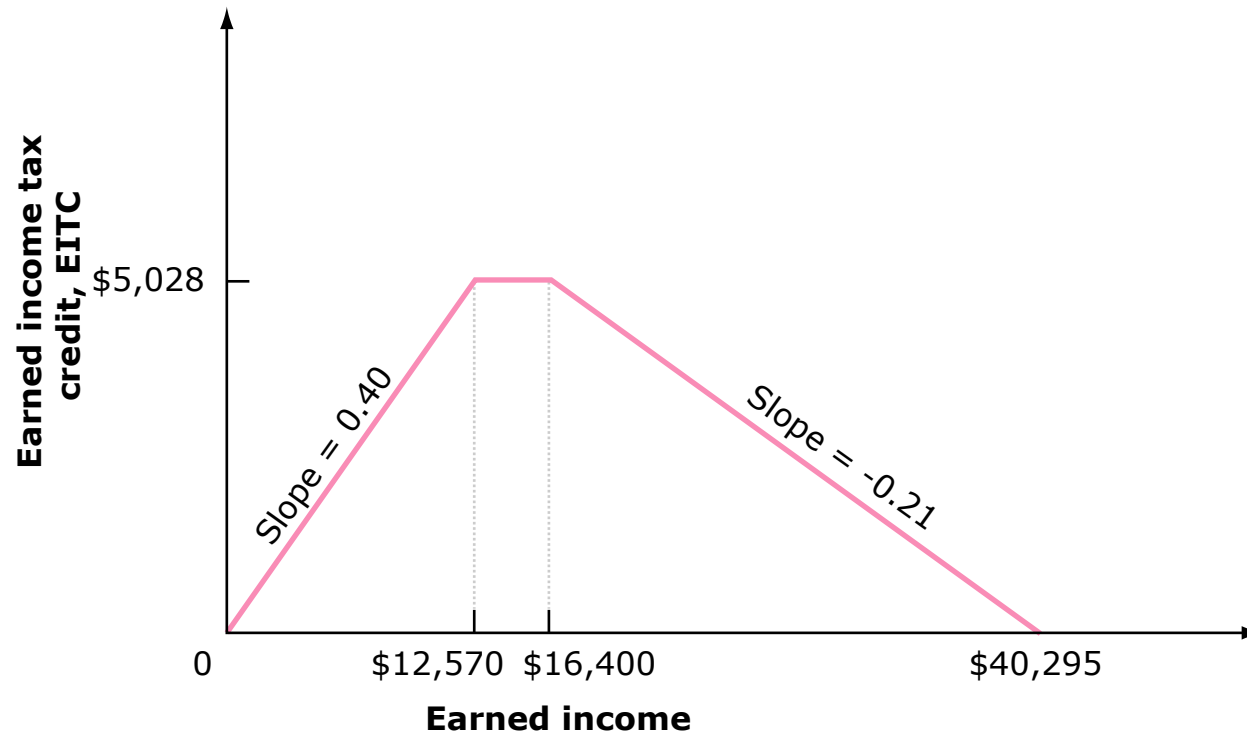


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Figure 24-4: Earned income tax credit



The Earned income tax credit: For the first \$12,570 of earned income, Stacey receives an EITC payment of 40¢ per dollar of earnings, to a maximum of \$5,028. Between \$12,570 and \$16,400 of earnings, the EITC payment is flat at \$5,028. From \$16,400 to \$40,295 of earnings, the EITC payment falls by 21¢ per dollar earned, until it reaches zero.

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