

The Flat Tax by the numbers...

Impact of Flat Tax Rate By Federal Adjusted Gross Income (FAGI) Bracket					
FAGI Bracket	% of Total Tax Filers	(\$ Millions)	(\$ Millions)		
		Income Tax Liability	Income Tax Liability	Net Income Tax	
		<u>under Current Law 1/</u>	<u>under Flat Tax</u>	<u>Liability Change</u>	
\$0 - \$10,000	15.0%	\$0.6	\$57.5	56.9	
\$10,000 - \$20,000	16.4%	\$27.3	\$123.9	96.6	
\$20,000 - \$30,000	14.4%	\$69.6	\$134.8	64.9	
\$30,000 - \$40,000	11.4%	\$107.4	\$158.3	50.9	
\$40,000 - \$50,000	8.4%	\$116.5	\$150.3	33.8	
\$50,000 - \$75,000	14.0%	\$299.9	\$359.4	59.5	
\$75,000 - \$100,000	8.5%	\$289.6	\$318.7	29.1 391.7	
\$100,000 - \$200,000	9.5%	\$596.8	\$521.8	75.0	
\$200,000 - \$500,000	2.1%	\$350.6	\$246.6	104.0	
\$500,000 - \$1,000,000	0.3%	\$158.4	\$92.4	66.0	
\$1,000,000 - \$5,000,000	0.1%	\$183.9	\$100.4	83.5	
Over \$5,000,000	0.1%	\$148.6	\$81.4	67.2 -396	
TOTAL	100.0%	\$2,349.2	\$2,345.5		
Note:					
1/ Impact is based on DOR's estimated 2011 tax liability for residential filers. After including nonresident filers, total tax liability is estimated to be \$2.44 billion.					

The Flat Income tax proposed in HB2636 would fall unfairly on low income working families

The proposed Flat Tax would result in individuals and working families with income at or below \$20,000 per year paying **\$153.5 million more in taxes** forcing these families to make the difficult decision about whether to put food on the table, pay the rent, or pay their taxes.

Meanwhile, under this misguided proposal, those making \$1 million or more would pay **\$150.7 million less in taxes**, money that would go right into their pocket.

Ask any economist, the best way to stimulate our economy is to put money in the hands of those that will in turn spend the money at their local grocer and buy the items essential to keeping their family afloat. The fundamental unfairness of this proposal is compounded by the fact that it is also not good for our economy.