

Name: _____

School: _____

Class: _____

Date: _____

Difference between a proportional income tax system and a progressive income (Answer Key)

Write clear differences in complete sentences

1. State the difference between:

Proportional Income Tax System	Progressive Income
Proportional income tax system takes the same percentage / proportion of income from all income groups	Progressive income tax system takes a larger percentage / smaller percentage of the income of the rich / the poor and places a larger burden on the rich . It helps redistribute income from the rich to the poor and reduces the gap between rich and poor and may be used to promote equity
In a proportional income tax rate system, the tax rate does not change as income changes and has no effect on the distribution of income	In a progressive income tax rate system, the tax rate increases as income increases