

How tax affects your income

Jack has an income of \$30,000 and Emily has an income of \$60,000. Calculate Jack and Emily's income tax in each of the following situations.

Situation one – flat tax

Flat tax calculation

	Jack	Emily
Income	\$30,000	\$60,000
Flat tax rate	15%	15%
Calculate income tax	\$	\$
Calculate income after paying tax	\$	\$

Situation two – progressive tax

Progressive tax calculation

	Jack	Emily
Income	\$30,000	\$60,000
Tax rate on the first \$20,000 of income	15%	15%
Calculate the tax on the first \$20,000 of income	\$	\$
Tax rate on income over \$20,000	25%	25%
Calculate income tax on income over \$20,000	\$	\$
Calculate total income tax	\$	\$
Calculate income after paying tax	\$	\$

Situation three – regressive tax

Regressive tax calculation

	Jack	Emily
Income	\$30,000	\$60,000
Tax rate on the first \$20,000 of income	15%	15%
Calculate the tax on the first \$20,000 of income	\$	\$
Tax rate on income over \$20,000	5%	5%
Calculate income tax on income over \$20,000	\$	\$
Calculate total income tax	\$	\$
Calculate income after paying tax	\$	\$