

11 Taxation and Redistribution

11.1 Lecture 23: Taxation and Redistribution

11.1.1 Taxation in the U.S.

- Different types of taxes in the U.S. are:
 - Income tax (progressive, main tax in the U.S.)
 - Payroll tax (flat)
 - Consumption tax (regressive, paid on spending rather than earnings)
 - Property tax (tax on wealth)
 - Corporate tax (tax on businesses, small share of total tax revenue)

11.1.2 Taxation in the U.S.

- Importance of targeting assistance programs
- Earned Income Tax Credit (EITC) is a wage subsidy program that balances targeting and efficiency

11.1.3 TO KNOW – Conceptual Understanding

- Identify whether a particular tax is progressive, flat, or regressive

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