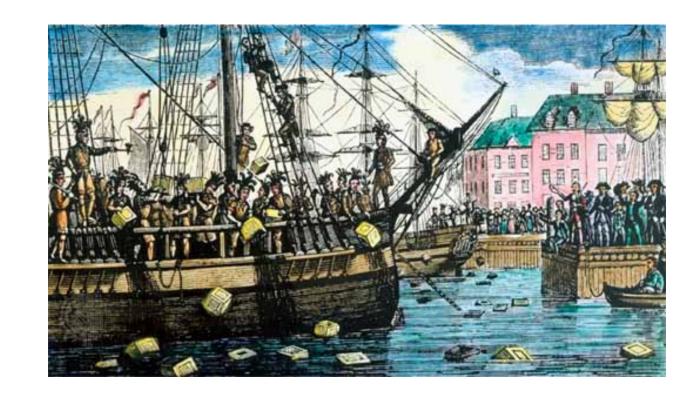
ESSCALand Income Tax Elias and Group 1



History of Income tax

- Originally implemented to fiance wars, provide infrastructure, and finance the betterment of personal living standards
- * Romans had 1% general tax on everything, which rose to 3 % during wars
- 1799 had the modern system of taxation created in the UK by PM William Pitt (.8% for medium income earners, 10% for the rich)
- Events like the Boston Tea Party exemplify some of the initial malcontent towards taxation





Income tax summary

- Progressive (Higher tax, higher income)
- * Proportional (-)
- * Regressive (Lower tax, higher income)
- Incremental vs total
- * **Territorial taxes:** Income that is taxed must have a source inside the country. Foreign income does not get taxed.
- * **Residential taxes:** Income of all residents is taxed, no matter if the source is inside or outside the country.
- * International taxes: This taxation system is only used by the United States of America. Residential and non residential citizens have to pay taxes on their worldwide income.



Country	Low	High	System
France	0%	50%	Incremental
United Kingdom	0%	40%	Incremental
United States	0% (federal) 0% (state)	35% (federal) 10,3 (state)	Incremental
Canada	15% (federal) 4% (provincial)	29% (federal) 24% (provincial)	Incremental
Austria	0%	50%	Incremental
Germany	0%	45%	Incremental
China	5%	45%	Incremental
India	0%	30%	Incremental
South Africa	0%	41%	Incremental
Brazil	0%	27,5%	Total
Australia	0%	49%	Incremental
Russia	13% (flat)	13% (flat) 30% (for non residents)	Flat
Switzerland	0%	13,2%	proportional



Esscaland Taxation

- * Incremental
- * 35% max
- Ethical in nature
- * Tax incentives to get in lower brackets by providing proof of donations, hiring homeworkers, foundation support, etc
- Global average on highest taxation bracket= 31.37%
- * Euro average on highest taxation bracket = 32.55%



Corporate Tax Rates

- 19.68 european average
- * 15% in Esscaland



Annual income range EUR	Taxation rate %	
	1,0%	
0 - 2500	2,0%	
5000 - 10 000	4,0%	
10 000 - 15 000	6,0%	
15 000 - 20 000	8,0%	
20 000 - 25 000	10,0%	
25 000 - 30 000	12,0%	
30 000 - 35 000	14,0%	
35 000 - 40 000	16,0%	
40 000 - 45 000	18,0%	
45 000 - 50 000	20,0%	
50 000 - 55 000	22,0%	
55 000 - 60 000	24,0%	
60 000 - 80 000	28,0%	
80 000 - 100 000	32,0%	
100 000 - ∞	35,0%	



Conclusion

Discussion

- Suggestions for Esscaland reform
- * How much is too much?
- * Are you in favour of big government?
- * Pros and cons of socialist approach to taxation

