Subject: Personal Income Tax paid by you and me VS Income tax on Investments
Posted by Manualblock on Wed, 12 Oct 2005 19:06:16 GMT
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One of the reasons we as middle class taxpayers get screwed is the Bush administrations lowering of the capital gains tax rate. According to IRS data on wealth and taxes from their site that you can look up is this:Most American housholds (89%) earned 70% of their income from work and only 10% of their income from capital gains. For the top ten percent of taxpayers the situation is reversed; they make only 10% of their income from work and 70% from capital gains. The IRS reports that under-reporting of capital gains income due to the lack of automatic reporting programs and hidden payouts exceeds billions each year. The exact figure cannot be relied upon due to accounting fraud but the estimate by the IRS is well into the billions. Now the top tax rate for income as it exists now is 35% but the top rate for capital gains is 15% as a result of the 2003 Bush tax cuts. To combat this inequality there must be a higher withholding for capital gains and automatic withdrawal like we do with income taxes.To be continued.