

Benefits Received Principle (ex. toll bridge or road)

- **People who benefit the most from government goods/services should pay for them..**

VS.

Ability to Pay Principle (ex. Federal Income)

- **Tax burden should be placed on people according to their income/wealth**

Progressive Tax (ex. Fed. Income Tax)

% of income paid in taxes increases as income increases

Proportional Tax (ex. Property Tax)

% of income paid in taxes remains constant as income changes

Regressive Tax (ex. Sales Tax)

% of income paid in taxes decreases as income increases

and

% of income paid in taxes increases when income decreases