

# [Forms of taxes](https://assignbuster.com/forms-of-taxes/)

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Flat tax system is an income tax which charges everybody at the same rate, irrespective to level of earnings. Much as it is commonly used system in most American states, I am not in favor of it for many reasons. It exerts unnecessary pressure on the low and moderate class earners. These groups are usually the majority and therefore, they pay more taxes as opposed to the rich.

They are the most burdened and suffer an inability to pay (Linder, 2005). I would propose the usage of other forms of taxes. Other Forms of Taxes For instance, we have the progressive method of tax paymen. It is fair because it only taxes the gross income without affecting the expenditure. It is also a perspective which prompts the upper class to pay more because of high level of income and hence comfortable to pay.

There is also a payroll tax. This is imposed on both employers and employees. Social security tax is only imposed on those, who earn up to a particular amount. Similarly, government directs employers to shun taxing income on wages. However, even without employment, tax and other charges stand (Stanley, 2001).

Property tax is subjected by many local authorities on the basis of current market prices. This tax is beneficial for the leaarning institutions and some other entities, which are distinctly governed and enforce affordable tax rates. It is essentially charged upon realization. Property taxes have varied regulations. Finally, the sales tax is enforced on the cost at the retail level by many states and local authorities.

It also has a wide variance and is issued as an applicable tax for the buyer. Much as the flat tax system is commonly used in the USA, I argue against it because it does not take care of the low and middle level income earners. Therefore, I suggest that the other forms (Progressive, payroll, property and sales taxes) should be used.