

## How Taxes Work - Humorous Essay

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Let's put tax cuts in terms everyone can understand. Suppose that every day, ten men go out for dinner. The bill for all ten comes to \$100. If they paid their bill the way we pay our taxes, it would go something like this:

For one week, the first four men — the poorest — would pay nothing; the fifth would pay \$1, the sixth would pay \$3, the seventh \$7, the eighth \$12, the ninth \$18, and the tenth man — the richest — would pay \$59.

That's what they decided to do. The ten men ate dinner in the restaurant every day and seemed quite happy with the arrangement — until one day, the owner threw them a curve (in tax language a tax cut).

"Since you are all such good customers," he said, "I'm going to reduce the cost of your daily meal by \$20." So now dinner for the ten only cost \$80.00.

The group still wanted to pay their bill the way we pay our taxes. So the first four men were unaffected. They would still eat for free. But what about the other six — the paying customers? How could they divvy up the \$20 windfall so that everyone would get his "fair share?"

The six men realized that \$20 divided by six is \$3.33. But if they subtracted that from everybody's share, Then the fifth man and the sixth man would end up being PAID to eat their meal. So the restaurant owner suggested that it would be fair to reduce each man's bill by roughly the same amount, and he proceeded to work out the amounts each should pay.

And so the fifth man paid nothing, the sixth pitched in \$2, the seventh paid \$5, the eighth paid \$9, the ninth paid \$12, leaving the tenth man with a bill of \$52 instead of his earlier \$59. Each of the six was better off than before. And the first four continued to eat for free.

But once outside the restaurant, the men began to compare their savings. "I only got a dollar out of the \$20," declared the sixth man who pointed to the tenth. "But he got \$7!"

"Yeah, that's right," exclaimed the fifth man, "I only saved a dollar, too . . . It's unfair that he got seven times more than me!" "That's true!" shouted the seventh man, "why should he get \$7 back when I got only \$2? The wealthy get all the breaks!" "Wait a minute," yelled the first four men in unison, "We didn't get anything at all. The system exploits the poor!"

The nine men surrounded the tenth and beat him up. The next night he didn't show up for dinner, so the nine sat down and ate without him. But when it came time to pay the bill, they discovered, a little late what was very important. They were FIFTY-TWO DOLLARS short of paying the bill! Imagine that!

And that, boys and girls, journalists and college instructors, is how the tax system works. The people who pay the highest taxes get the most benefit from a tax reduction. Tax them too much, attack them for being wealthy, and they just may not show up at the table anymore.

Where would that leave the rest? Unfortunately, most taxing authorities anywhere cannot seem to grasp this rather straightforward logic!

1. What are the measures of central tendency (i.e. mean, median, mode, range, and if applicable, outlier) of the individual dinner cost or unit rate for each of the ten men the first week? Create a box-and-whisker plot so that you may accurately identify the approximate lower and upper quartile as well as the interquartile range.
2. After the discount was applied by the restaurant manager, what is the percent of change to each man's meal? Additionally, express each figure as a ratio and decimal. Finally, create a table accompanied by a coordinate graph demonstrating the differences in cost before and after the tax cut and related adjustments were made.
3. How much money would the fifth and sixth men have stood to receive assuming the manager did not discount their meal by a proportionate amount?
4. Why did the cost of the meal change drastically when the tenth man was unavailable to join the others for dinner? Explain. What percentage of the bill were the nine men short when the bill arrived?
5. In paragraph(s) form, compare and contrast the pros and cons of the present tax system as addressed above. Additionally, design a Venn Diagram to assist in organizing your thoughts and ideas.
6. Upon completion of this assignment, how far have we progressed through the 2007-08 series of The Daughtry Times? Express your answer as a fraction, decimal, and percentage.
7. As obtained from the passage above, in paragraph form, explain at least eight ways using the "Traditional Writing Guidelines and Checklist for Success" simplifies the paragraph writing process. Be specific.
8. As obtained from the passage above, in paragraph form, explain at least six ways using the "Preliminary Reading Guidelines and Checklist for Success" simplifies understanding of the material. Be specific.
9. In complete sentences, using contextual clues only, explain the meaning of the words: *divvy* and *exploits*. Additionally, use each defined word in a sentence to demonstrate further comprehension.
10. In paragraph form, explain at least five legitimate and educational purposes behind The Daughtry Times.