

Fair Taxation

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Why tax?

- ▶ Revenue Generation
- ▶ Wealth Redistribution
- ▶ Price Signals/Incentives

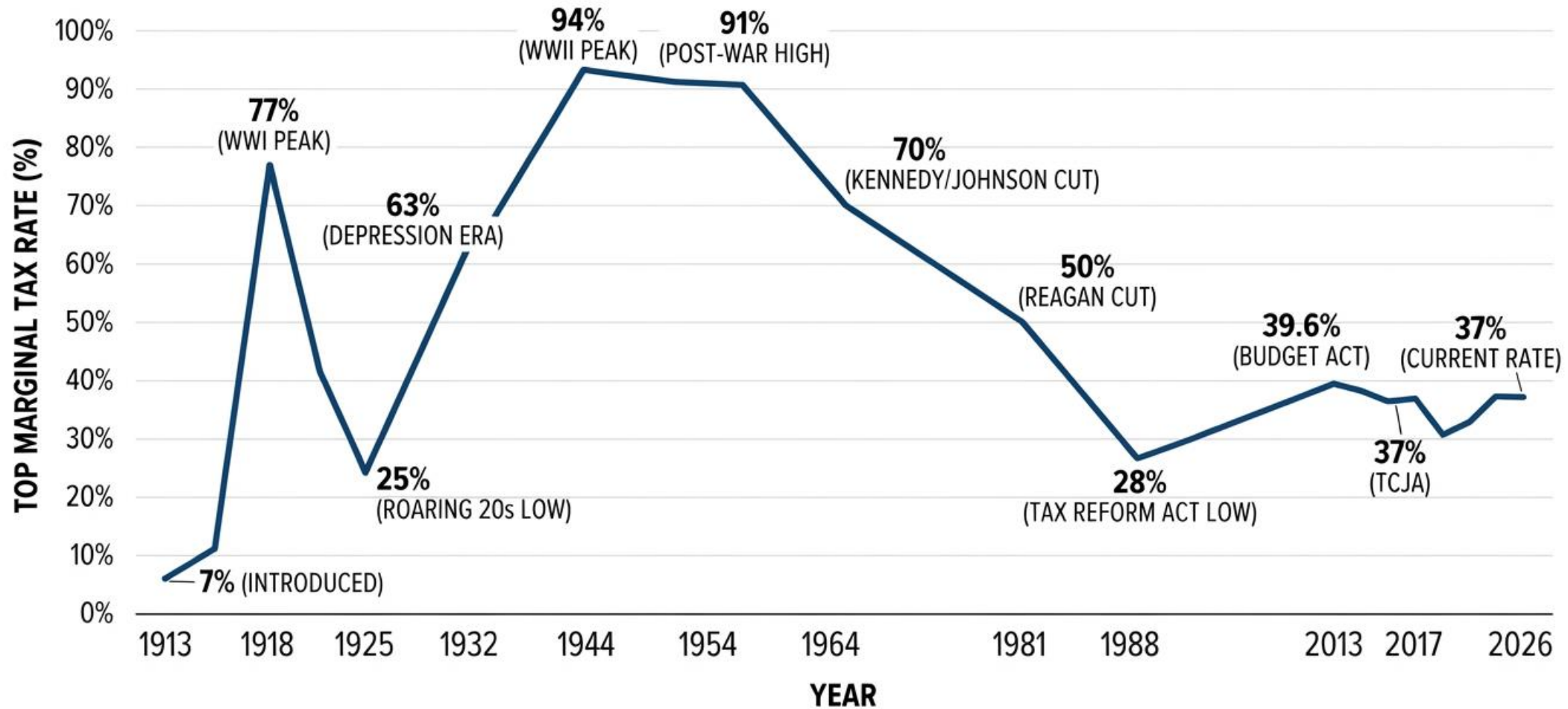
Types of Taxes

- ▶ Wealth/Property/Inheritance Taxes
- ▶ Income, Capital Gains, & Corporate Income Taxes
- ▶ Sales/Consumption/Value-Added Taxes
- ▶ Tariffs

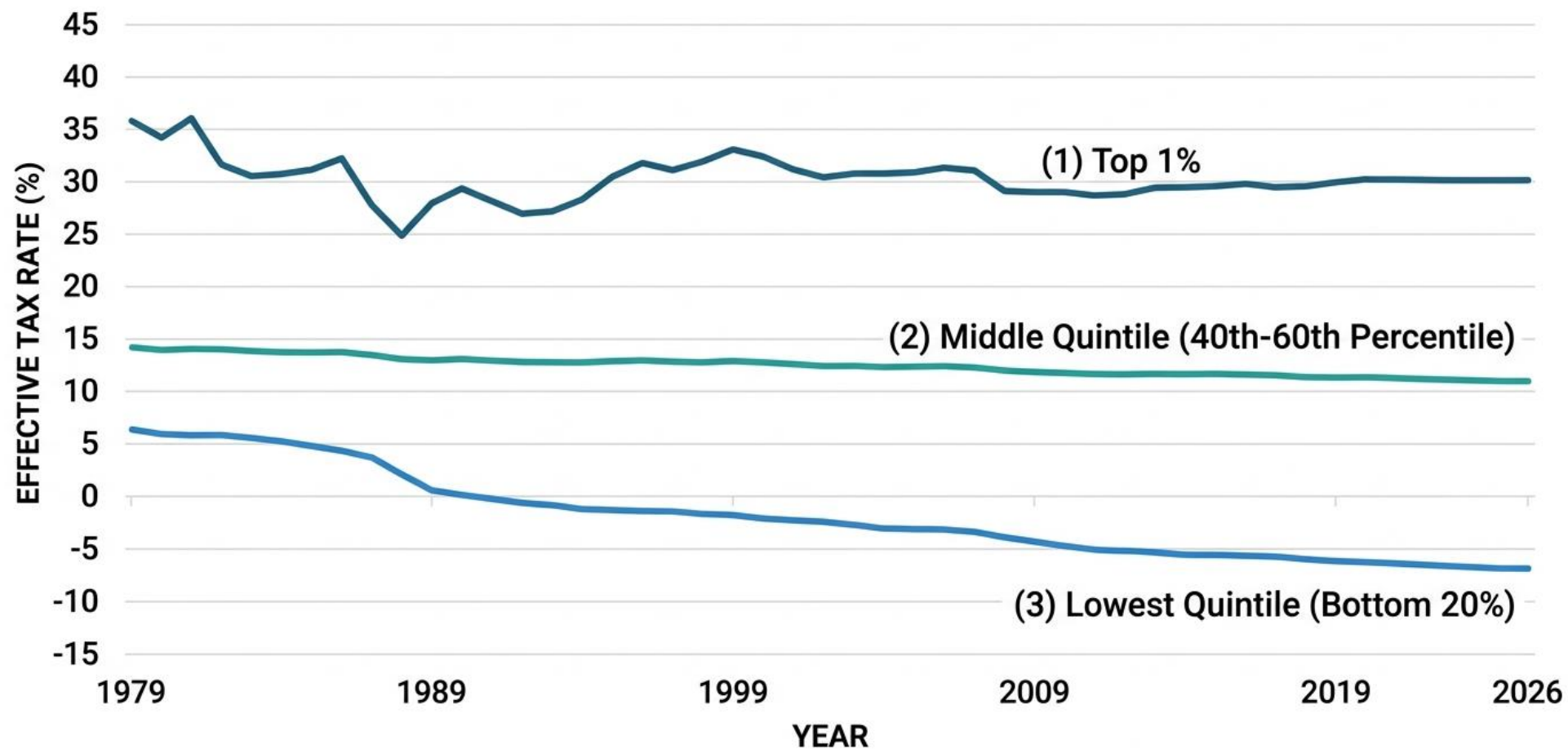
Historical notes

- ▶ Robust world history of wealth and property taxation along with funny anecdotes regarding efforts to conceal wealth and/or limit tax liability through creative architecture.
- ▶ Early US federal government (18th and 19th centuries) relied upon tariffs for most of its revenue. Subsequent to the 16th Amendment to the US constitution that was ratified in 1913, income taxes become the primary US revenue stream.
- ▶ Many states (esp Florida) rely heavily upon sales and excise taxes as primary revenue sources.

HISTORICAL TOP US FEDERAL MARGINAL INCOME TAX RATES (1913-2026)

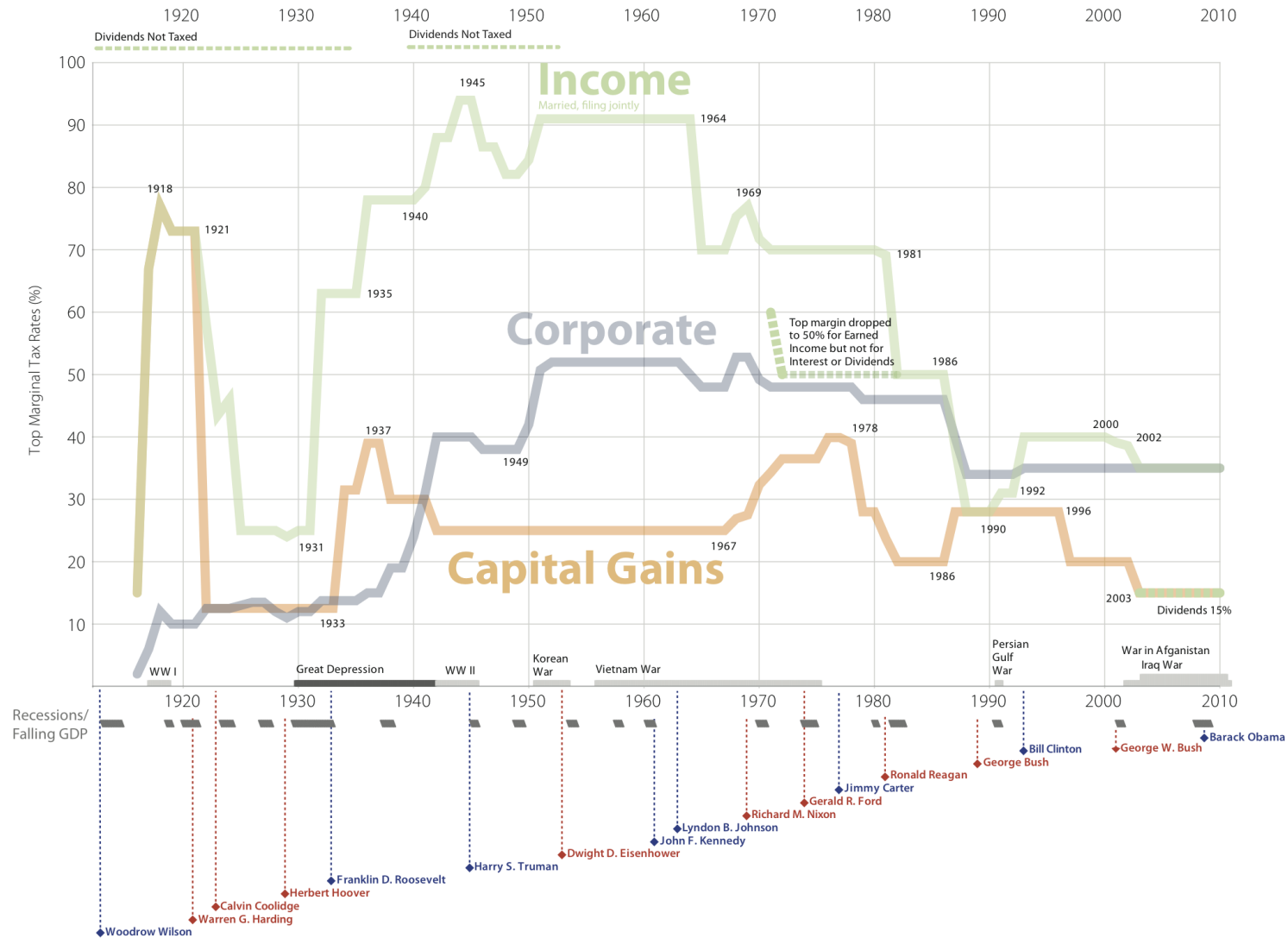


HISTORICAL AVERAGE EFFECTIVE US FEDERAL TAX RATES BY INCOME GROUP (1979-2026)



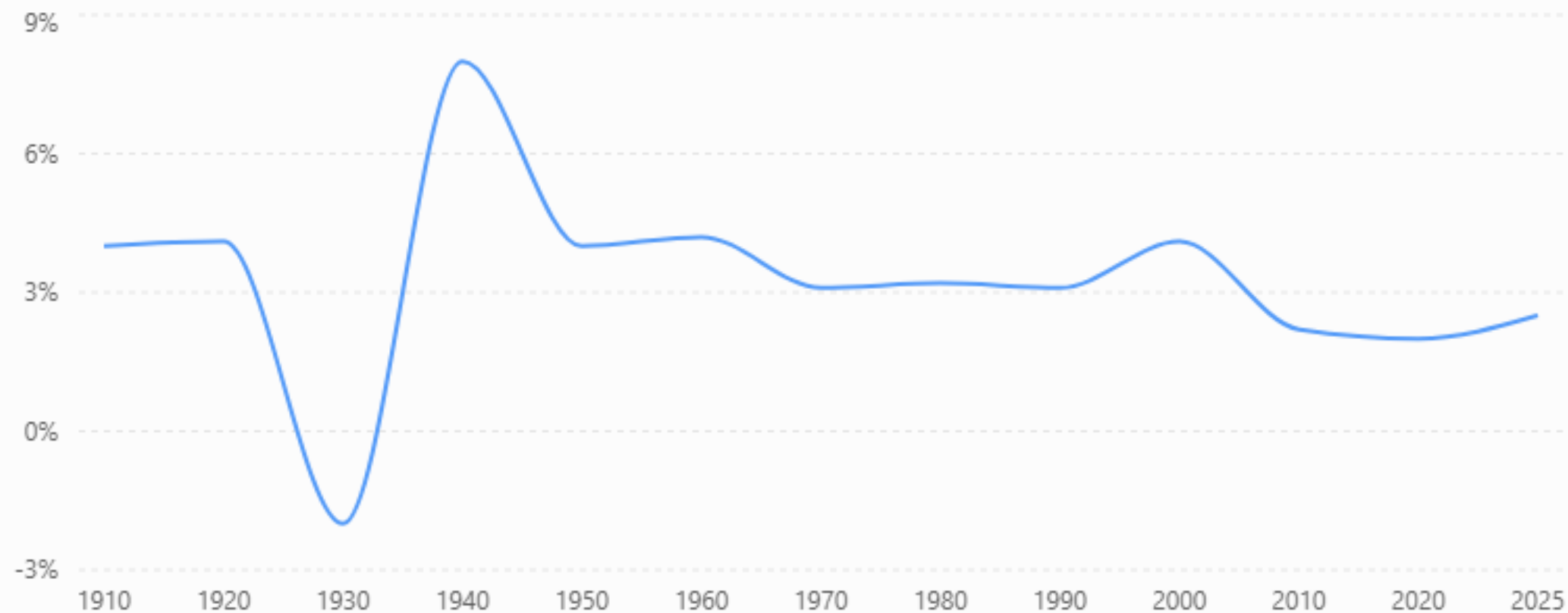
Top Marginal Tax Rates: 1916-2010

Personal Income, Capital Gains and Corporate Tax Rates



US Real Economic Growth

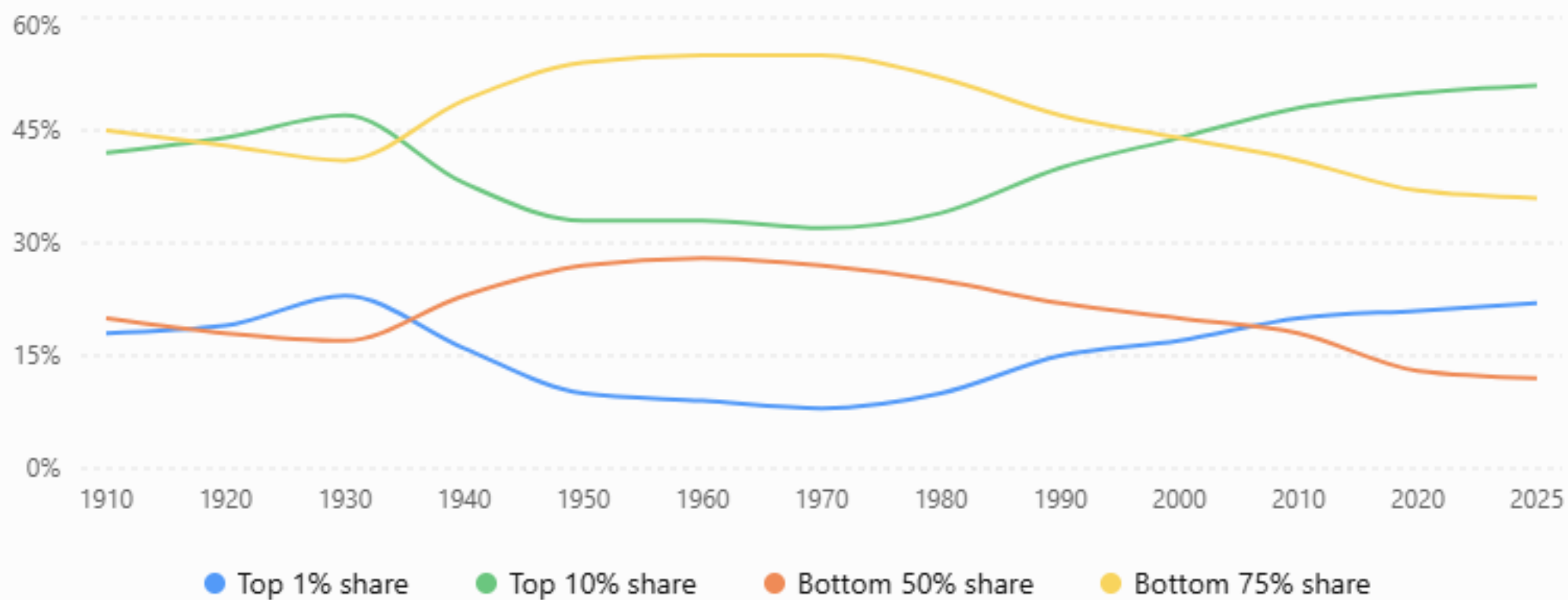
Illustrative trend in real GDP growth over the same period as the inequality and debt charts.



Values are representative long-run averages and notable period observations, not annual data.

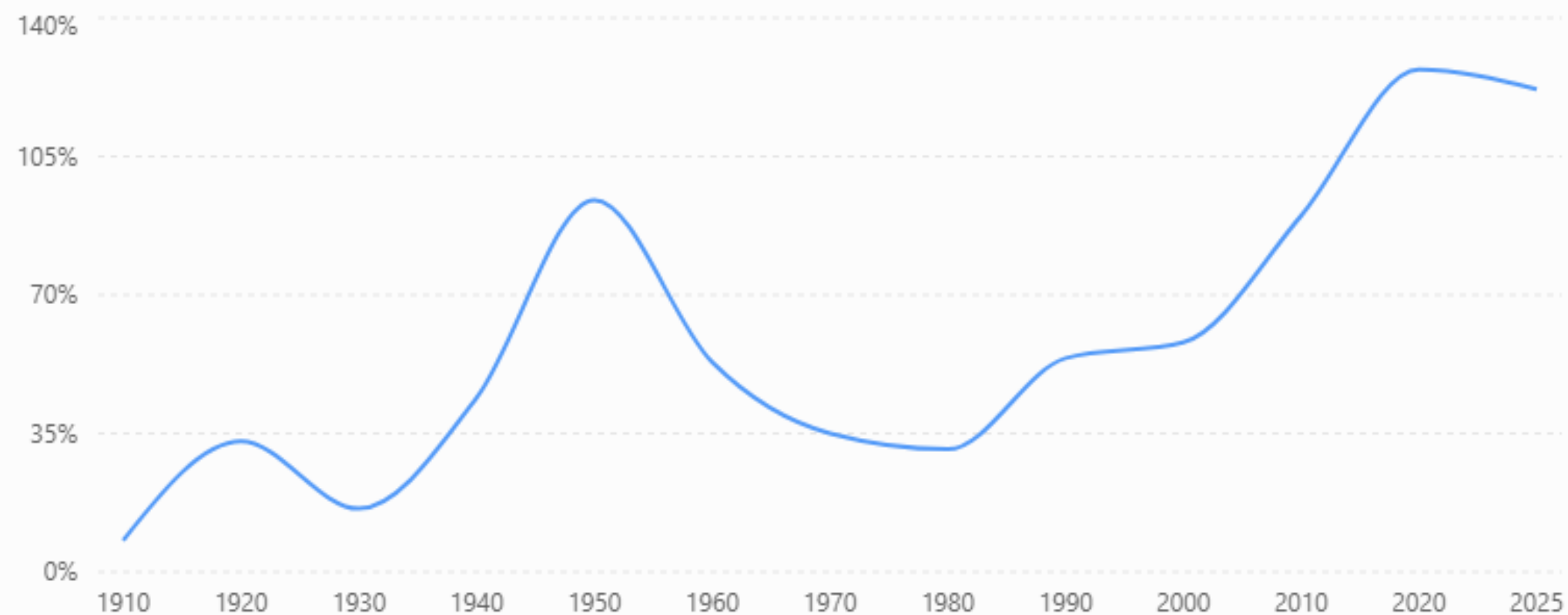
US Income Shares by Population Group

Illustrative historical trends in the share of national income received by the top 1%, top 10%, bottom 50%, and bottom 75%.



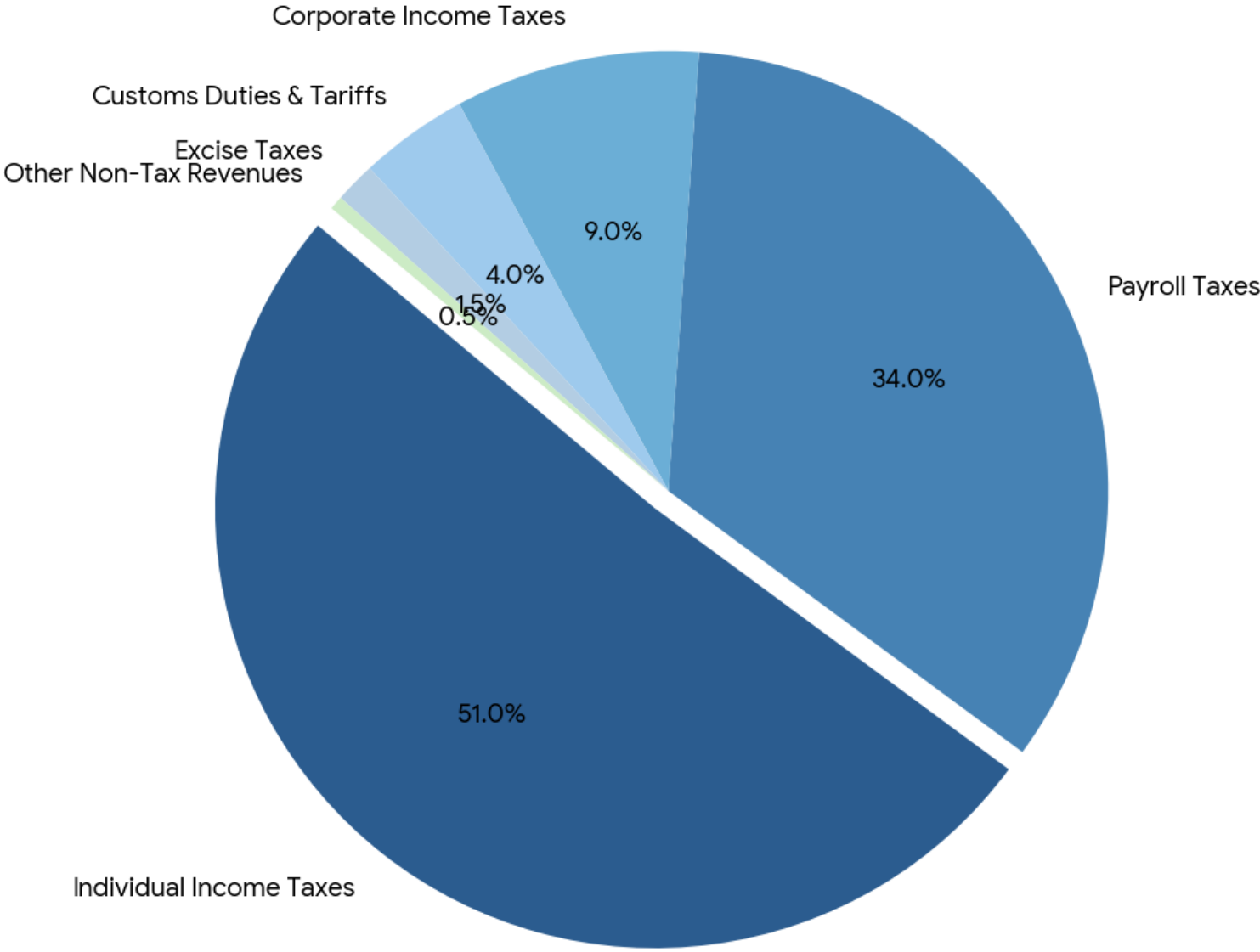
US Federal Debt as a Share of GDP

Illustrative historical debt-to-GDP trend over the same period as the income-share chart.

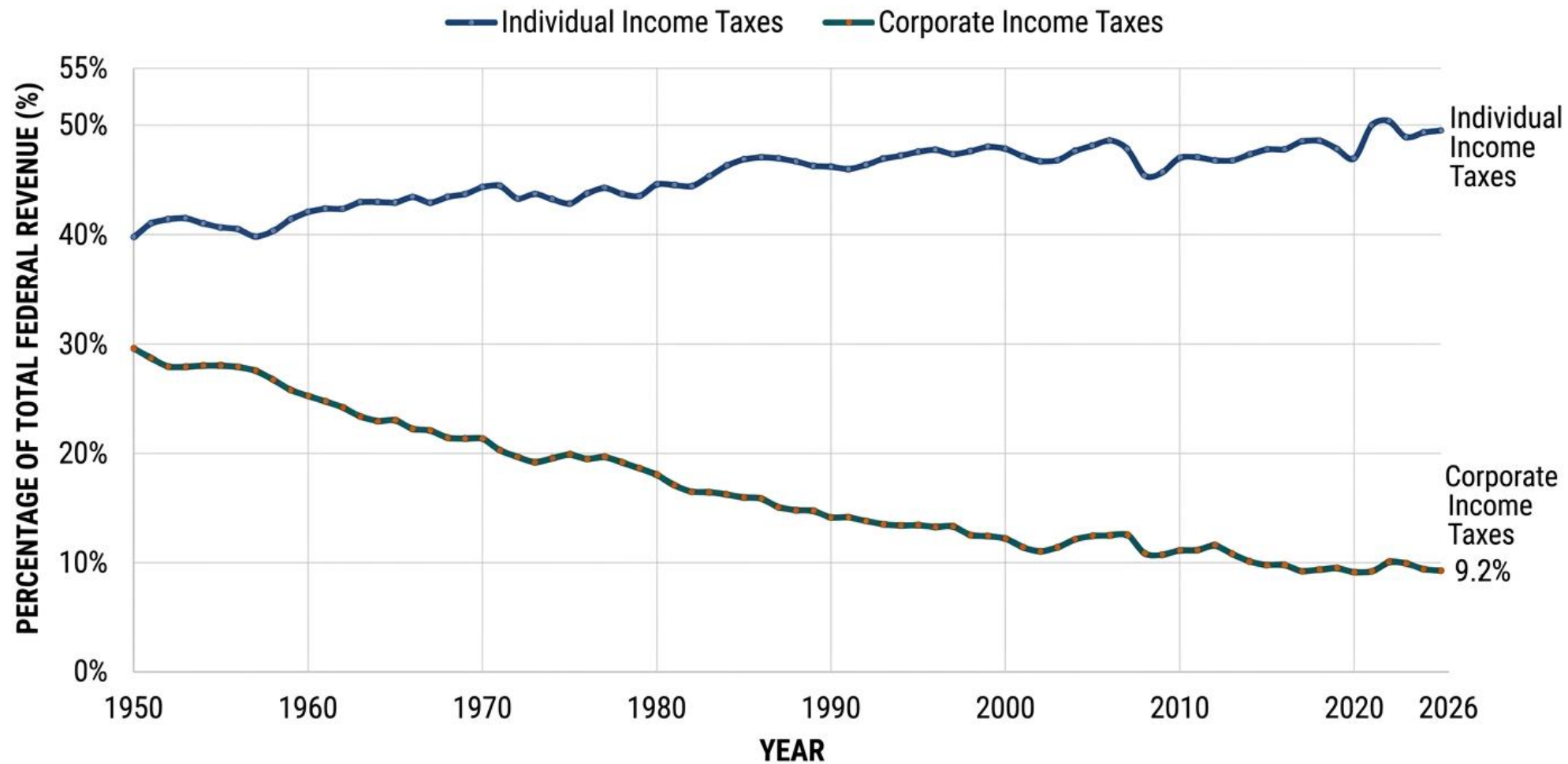


Debt is shown as a percentage of GDP rather than nominal dollars.

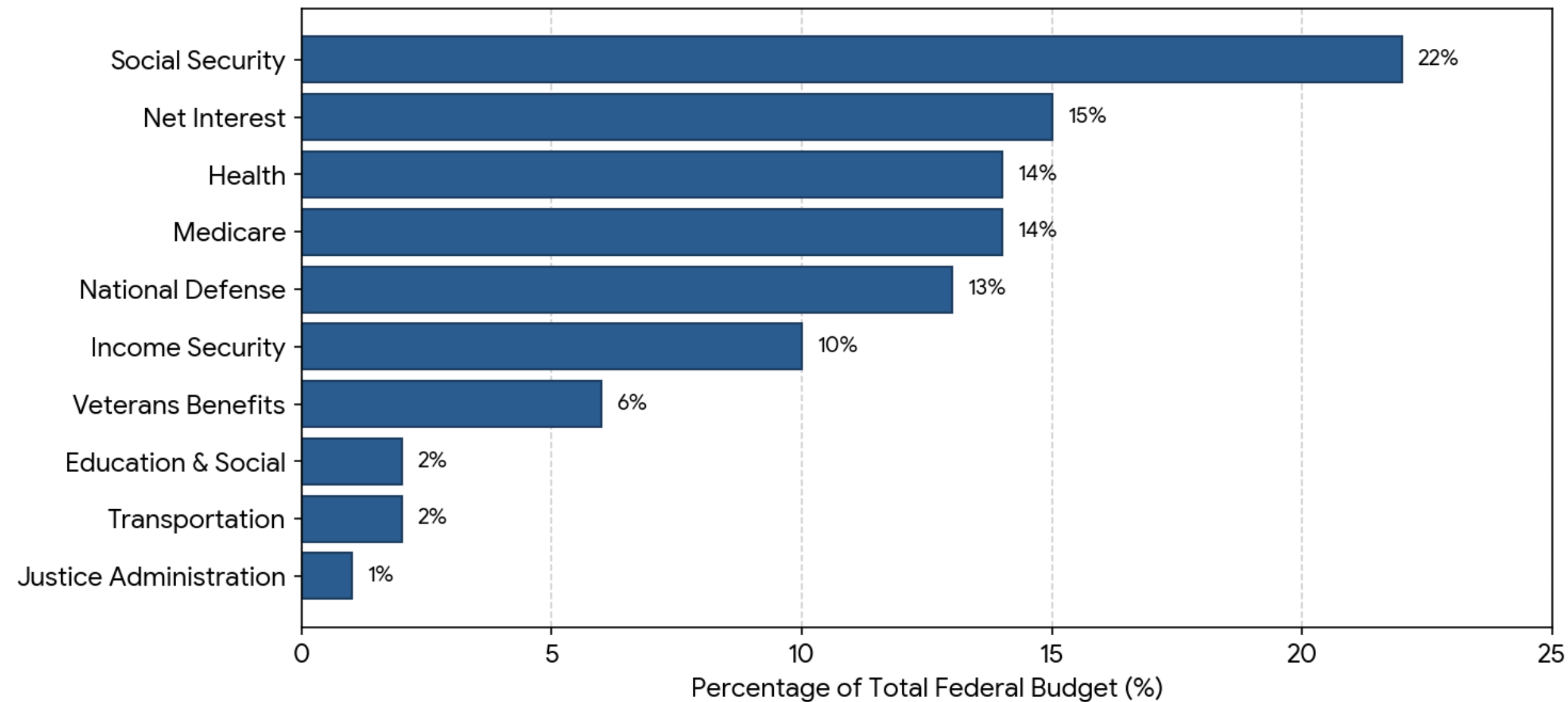
U.S. Federal Government Revenue Sources (FY 2025)



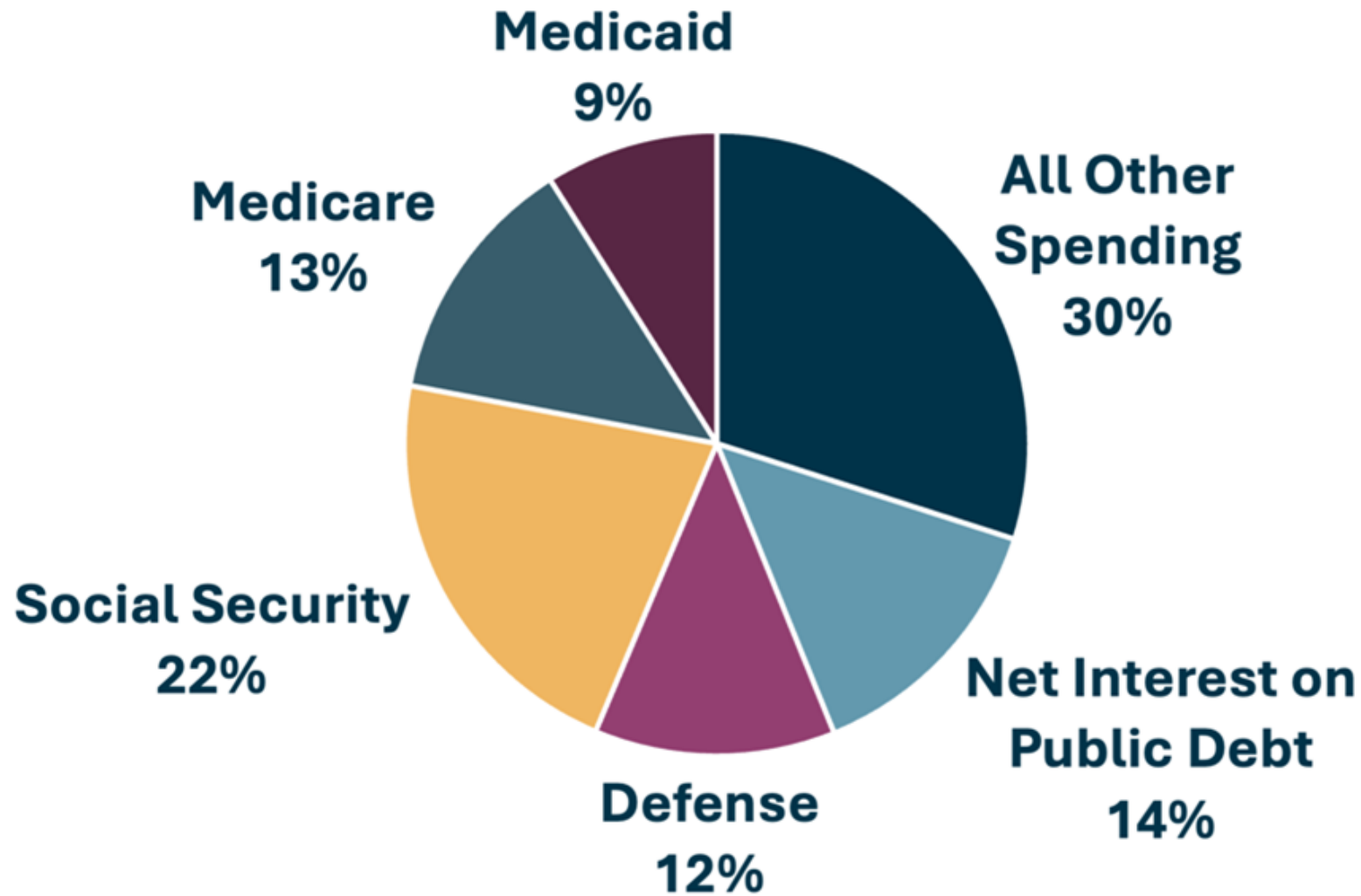
THE STRUCTURAL SHIFT IN US FEDERAL REVENUE SOURCES (1950-2026)



U.S. Federal Government Spending Breakdown

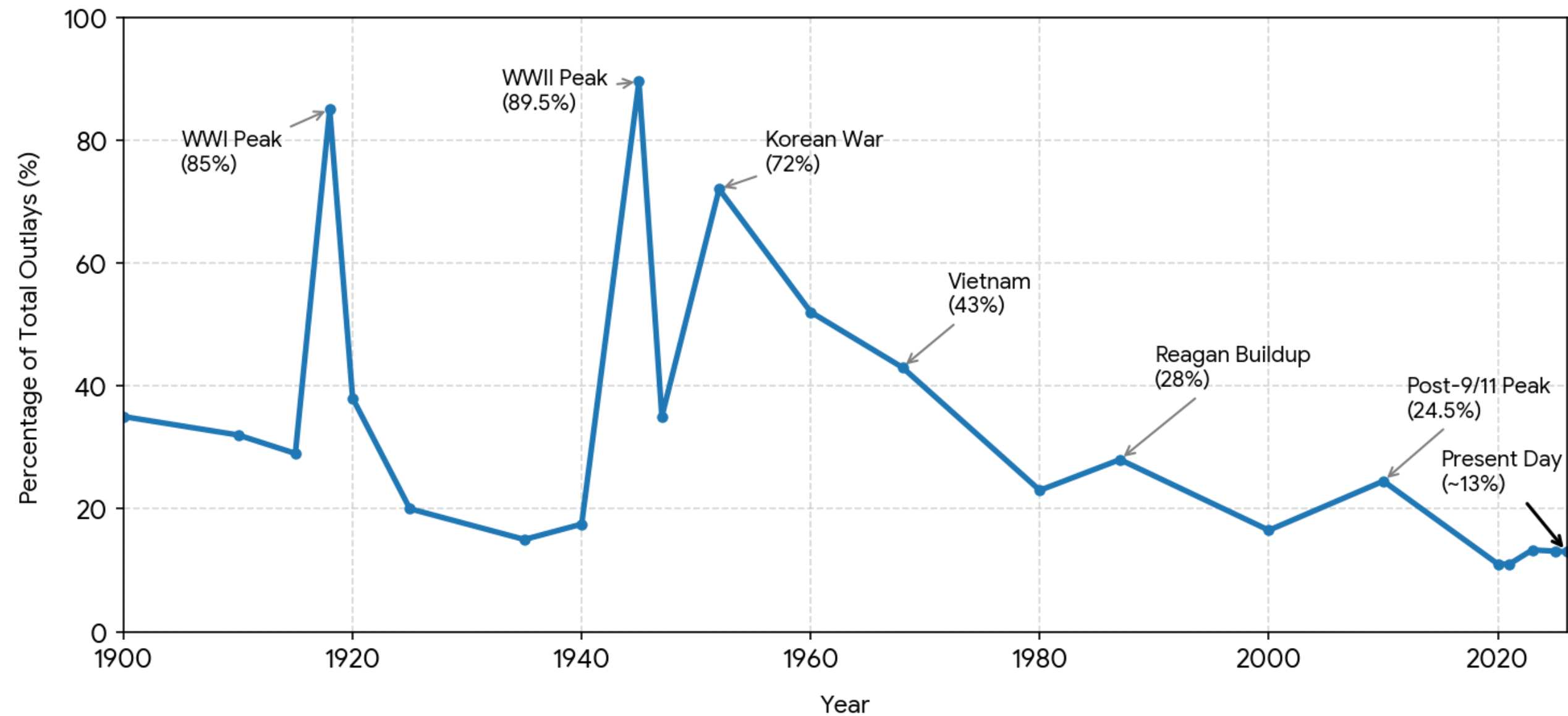


More Spent on Interest Payments Than Defense So Far in FY 25



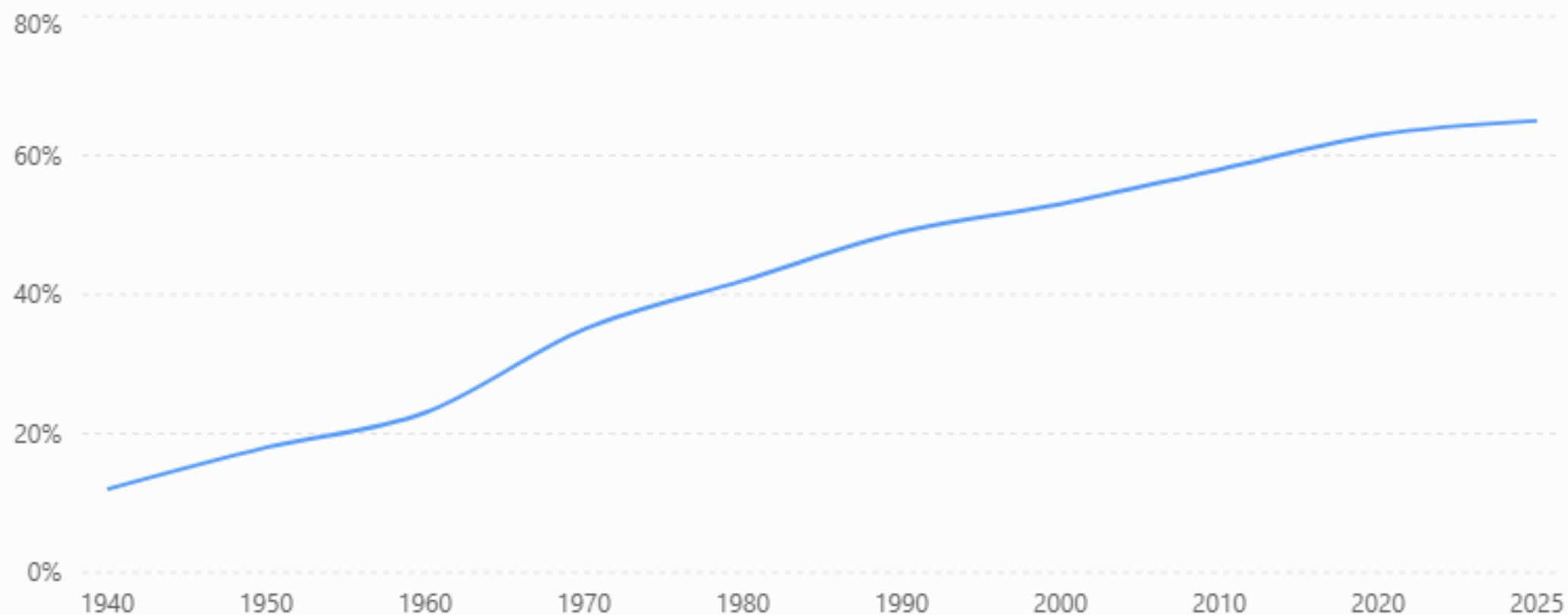
Source: CBO

U.S. Defense Spending as a % of Total Federal Budget (1900-2026)



Entitlement Spending as a Share of US Federal Outlays

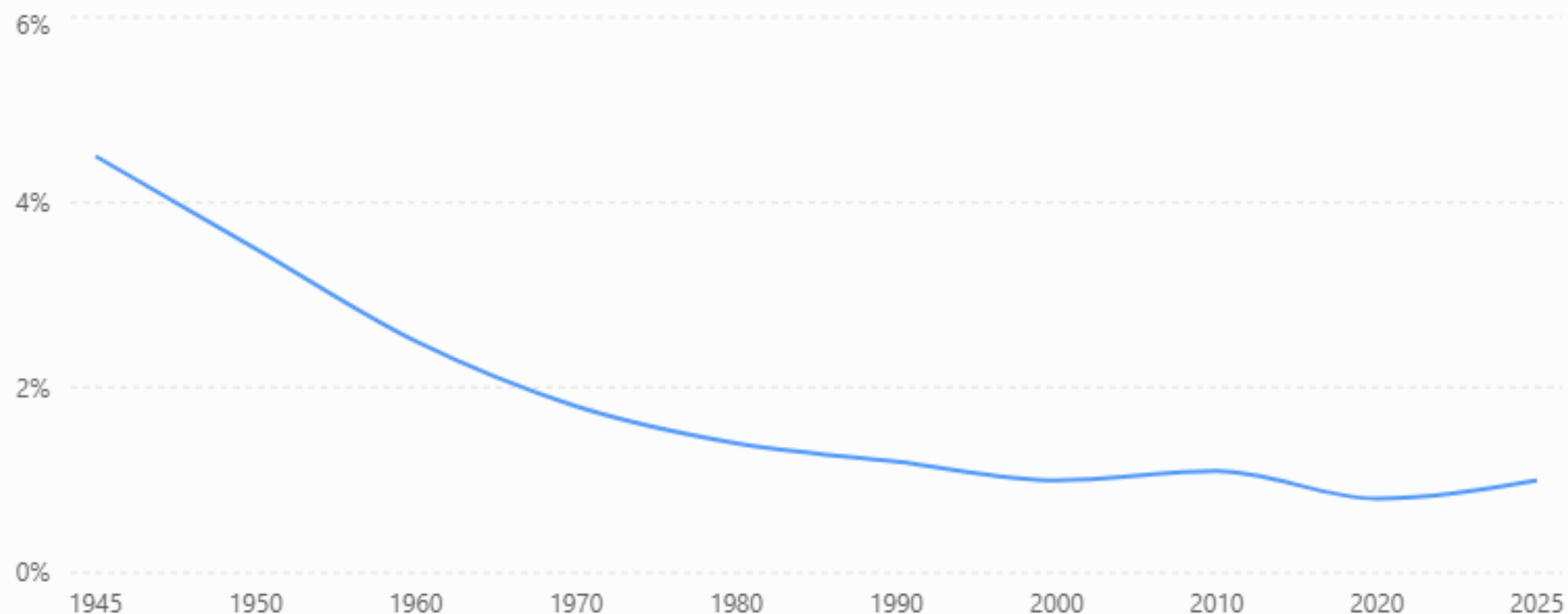
Illustrative historical trend showing the percentage of federal spending devoted to major entitlement programs.



Representative values for broad historical comparison rather than exact annual budget data.

Foreign Aid as a Share of US Federal Spending

Illustrative historical trend of foreign assistance as a percentage of total federal outlays.



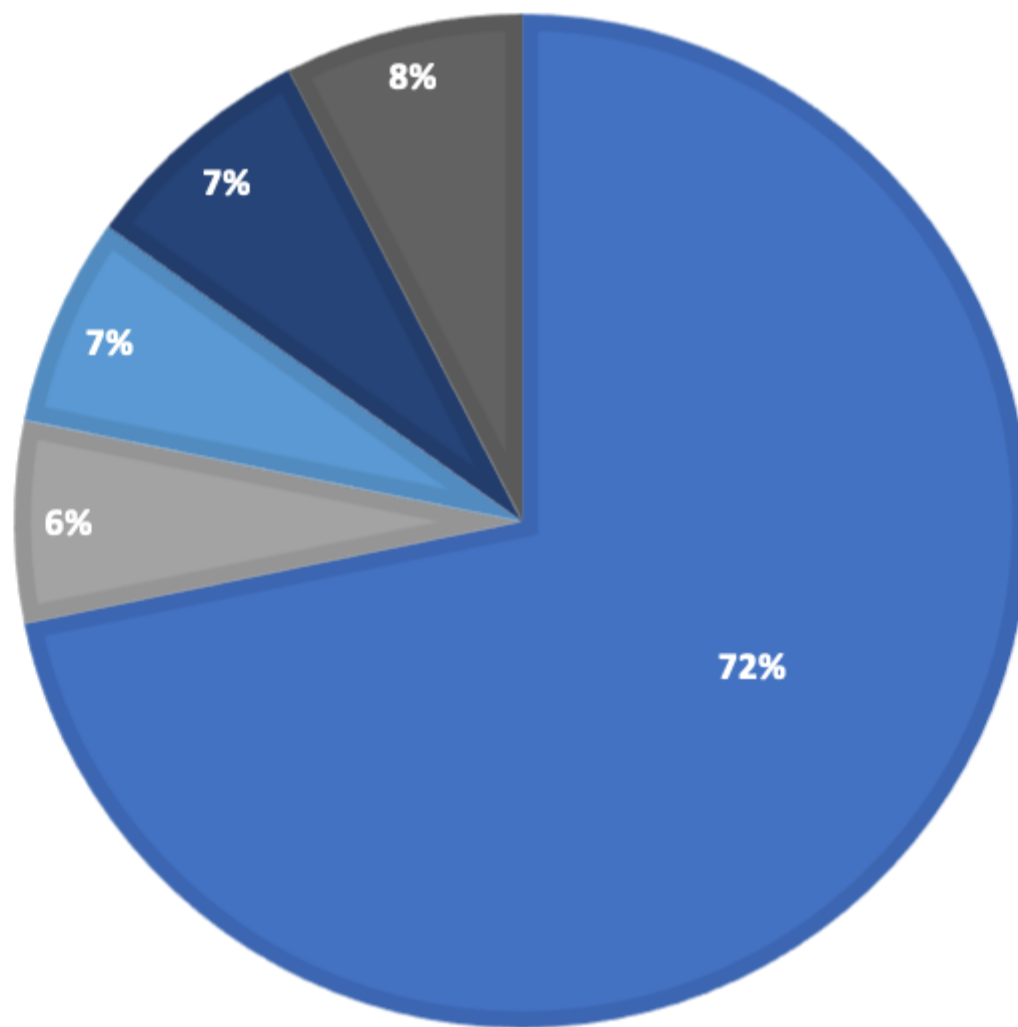
Approximate values; exact totals vary depending on whether security assistance and certain international programs are included.

How does our country compare to the rest of the world?

- ▶ Tax to GDP ratio is 25-27%, ranking 32 out of 38 among OECD countries. OECD average is about 34%, with a handful of European countries between 40-45%.
- ▶ Our current corporate tax burden of ~25% is roughly in the middle of the pack of OECD countries. Our current federal corporate tax rate is 21%. Prior to 2017, our federal corporate tax rate of 35% was among the highest in the world.
- ▶ Corporate tax collection in the US tends to be less than what is implied by the nominal rates due to pass through accounting and a narrower corporate tax base.
- ▶ The US is the only OECD country that does not have a federal value-added or national sales tax.

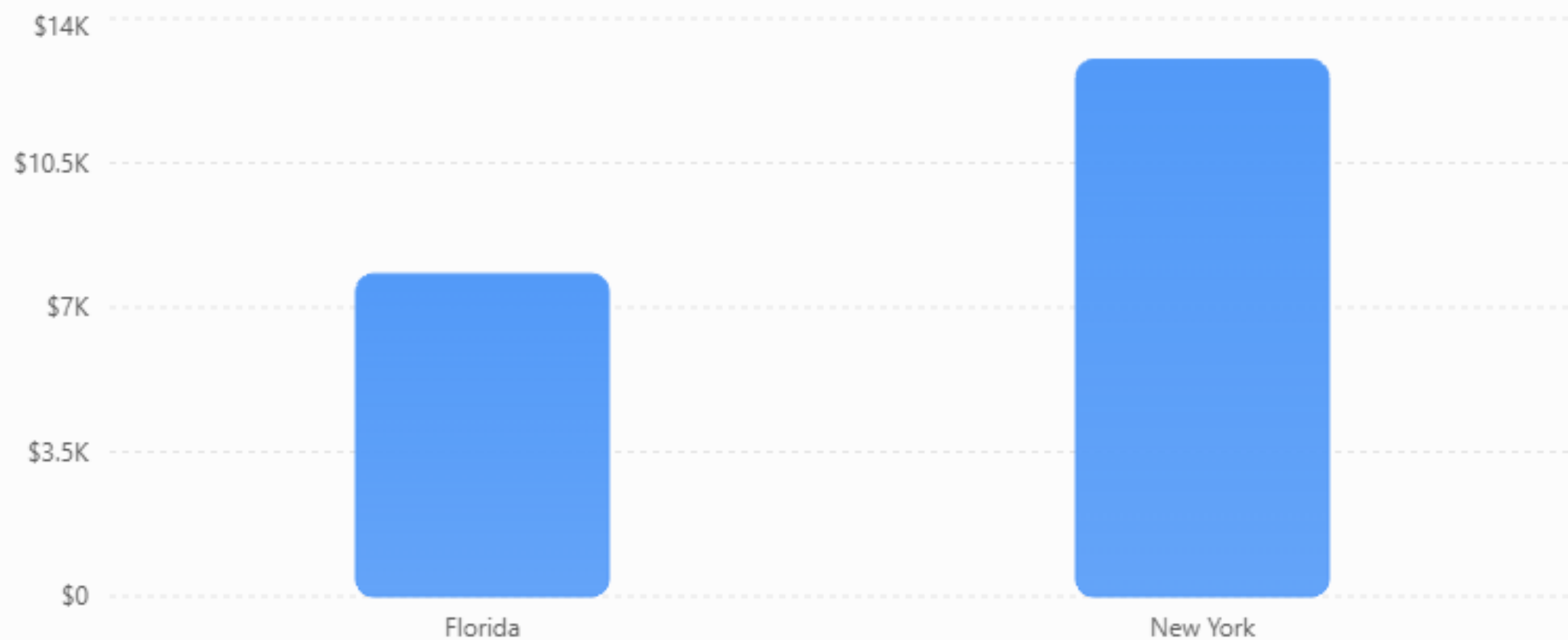
FLORIDA'S STATE TAX REVENUE

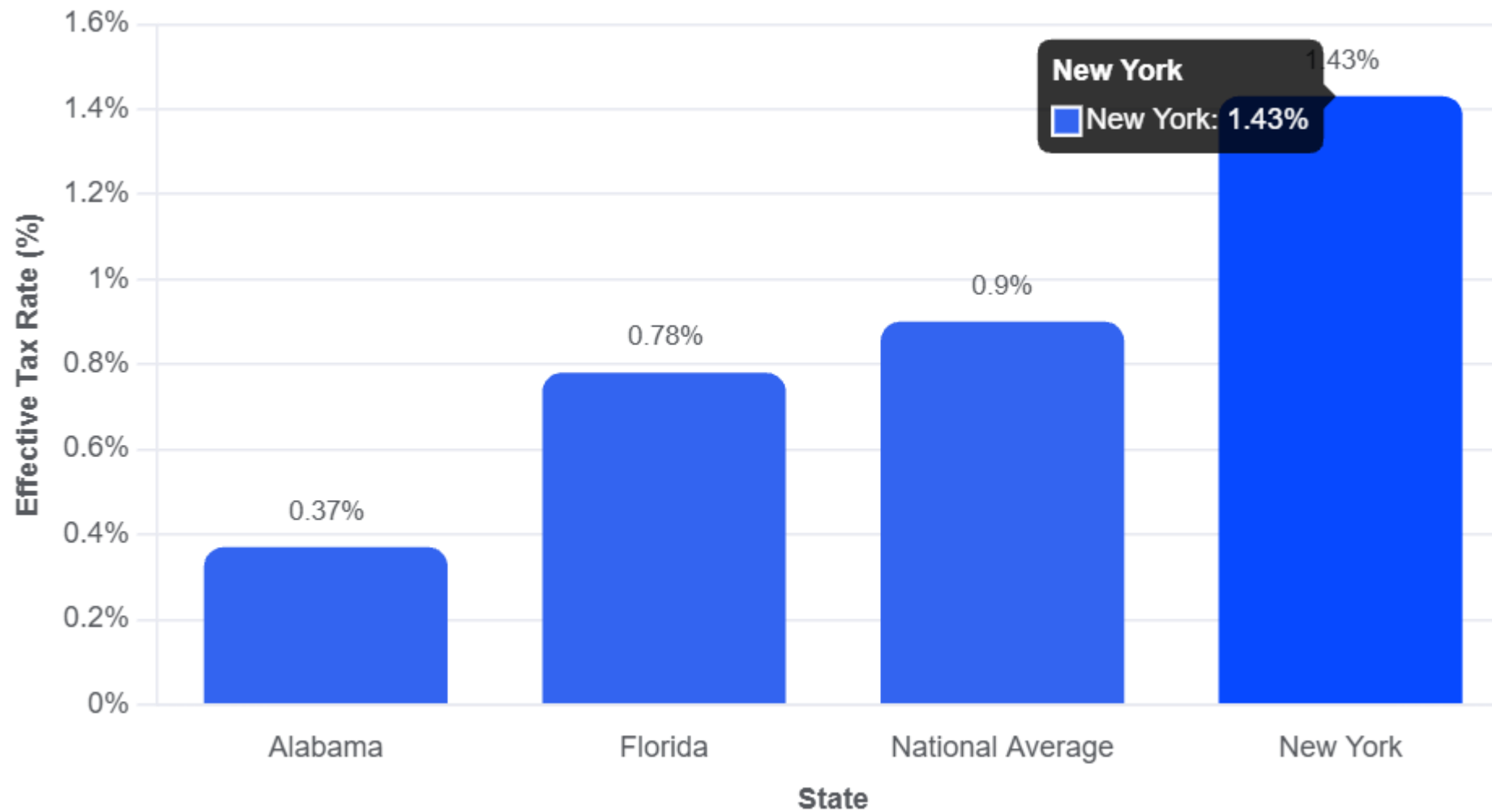
■ Sales & Use Tax ■ Corporate Taxes ■ Documentary Stamp Tax ■ Fuel Taxes ■ Other Taxes



Florida vs New York State Government Spending Per Capita (FY 2024)

Total state government expenditures per resident, including state and federal funds.





Florida Property Taxes

- ▶ 1992 Save Our Homes Amendment
 - ▶ \$25,000 exemption baseline (from 1980s)
 - ▶ 3% cap on annual assessed value increases
- ▶ 2008 Amendments
 - ▶ Exemption increased to \$50,000
 - ▶ Portability
- ▶ Additional exemptions for low-income seniors, disabled veterans, widowed spouses
- ▶ 10% cap for non-homesteaded properties

Amendment 3

- ▶ Exemption increased to \$150K in 2027; \$250K in 2028 with mandate for full elimination over time (only applies to non-education levies)
- ▶ Cap for non-homesteaded properties reduced from 10% to 5%
- ▶ Projected fiscal impacts: immediate \$5 billion reduction in local government revenue increasing to \$12 billion over time (impacts will vary county to county).

Thank you