

To: Richard Kahn [REDACTED]
From: [REDACTED]
Sent: Wed 8/24/2011 7:15:26 PM
Subject: Re: EXPLAINING OUR UNITED STATES TAXING SYSTEM WITH BEER

thanks...I know...me too!

On Aug 24, 2011, at 3:13 PM, Richard Kahn wrote:

thanks for update - have a nice trip
shocked at how long he has been away..

Richard Kahn
HBRK Associates Inc.
301 East 66th Street, Suite 10F
New York, NY 10065
[REDACTED]

On Aug 24, 2011, at 3:12 PM, [REDACTED] wrote:

i leave tomorrow at 7:30am! I am forwarding the phone line to
FTC...
I just got off the phone with JE and he has asked me to book him,
Sue and Jen to St. Maartin next Friday Sept 2. He apparently has
made other reservations like this and has cancelled them all...we will
see what happens!

On Aug 24, 2011, at 2:44 PM, Richard Kahn wrote:

when are you off to Texas?
enjoy trip..

any word when jee returns??

thanks

Richard Kahn
HBRK Associates Inc.
301 East 66th Street, Suite 10F
New York, NY 10065
[REDACTED]

On Aug 24, 2011, at 2:32 PM, [REDACTED] wrote:

ha! good...I thought it explained our taxing
system beautifully and knew you would
appreciate!

On Aug 24, 2011, at 2:30 PM, Richard Kahn wrote:

just read email - love it
thanks
going to send to a friend..

Richard Kahn

HBRK Associates Inc.
301 East 66th Street, Suite 10F
New York, NY 10065



On Aug 18, 2011, at 10:44 AM, [REDACTED] wrote:

had to share this
with you! I love it

Begin forwarded message:

From:



Date:

August
18,
2011
8:08:5
1 AM

EDT

To:

Desk



>
Subject:
EXPLAINING
OUR UNITED
STATES
TAXING
SYSTEM
WITH
BEER

EXPLAINING OUR UNITED STATES TAXING
SYSTEM
WITH
BEER

Suppose that every day, ten men go out for beer and
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:

The first four men (the poorest) would pay nothing.

The fifth would pay \$1.

The sixth would pay \$3.

The seventh would pay \$7.

The eighth would pay \$12.

The ninth would pay \$18.

The tenth man (the richest) would pay \$59.

So, that's what they decided to do.

The ten men drank in the bar every day and seemed
quite
happy
with
the

arrangement, until one day, the owner threw them a
curve.
'Since
you are
all

such good customers,' he said, 'I'm going to reduce
the
cost of
your
daily

beers by \$20. Drinks for the ten now cost just \$80.'

The group still wanted to pay their bill the way we
pay
our
taxes
so the

first four men were unaffected. They would still
drink
for
free.

But what about the other six men - the paying
custom
ers?
How

could
they
divide
the

\$20 windfall so that everyone would get his 'fair
share?'

They 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
each
end up
being
paid to

drink his beer.

So, the bar owner suggested that it would be fair to
reduce
each
man's
bill by
roughl
y the
same
amount
,

and he proceeded to work out the amounts each
should
pay.

And so:

The fifth man, like the first four, now paid nothing
(100% savings).
).

The sixth now paid \$2 instead of \$3 (33% savings).

The seventh now paid \$5 instead of \$7
(28% savings)
.

The eighth now paid \$9 instead of \$12 (25% savings).
).

The ninth now paid \$14 instead of \$18 (22% savings).
).

The tenth now paid \$49 instead of \$59 (16% savings).
).

Each of the six was better off than before and the first

four
continu
ed to

drink for free, but once outside the restaurant, the
men
began
to
compar
e

their savings. 'I only got a dollar out of the \$20,'
declare
d the
sixth
man.

He pointed to the tenth man, 'but he got \$10!'

'Yeah, that's right,' exclaimed the fifth man. 'I only
saved a
dollar,
too.
It's
unfair

that he got TEN times more than I!'

That's true!!' shouted the seventh man. 'Why should
he get
\$10
back
when I

got only two? 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 the tenth man didn't show up for
drinks,
so the
nine
sat
down

and had beers without him. But when it came time
to pay
the bill,
they

discovered something very important....they didn't
have
enough
money
between

all of them for even half of the bill!

And that, boys and girls, journalists and college
profess
ors, is
how
our tax

system works.

The people who pay the highest taxes DO get the
most
benefit

from a tax reduction.

They also PAY more than the rest.

Tax them too much, attack them for being wealthy,
and
they
just
may
not
show
up
anymore.

In fact, they might start drinking overseas where the
atmosphere
here is
somewhat
friendlier.

David R. Kamerschen, Ph.D.

Professor of Economics

University of Georgia

For those who understand, no explanation is needed.

For those who do not understand, no explanation is
possible!

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