Walt Disney's Sale of ABC Radio Structuring a Tax-Efficient Divestiture

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1) Progressive taxes



The type of taxes structure for Leoni

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Ejemples of Progressive Taxes



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TheCaseSolutions.com 1) Progressive taxes

It means that as incomes rise, people pay a higher proportion of this income in taxes





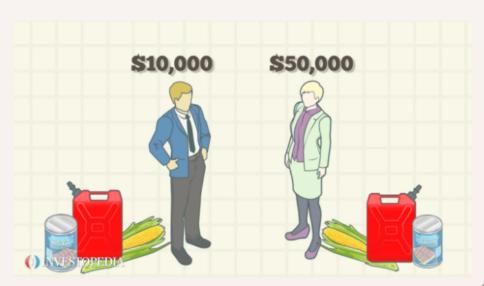
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3) Proportional Taxes

A tax is a proportional tax if the proportion of income paid in tax is constant for all income levels.



TheCaseSolutions.com 2) Regressive taxes

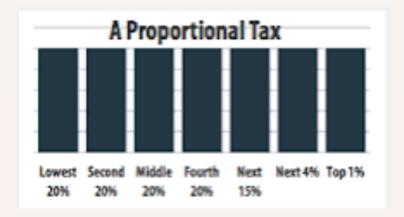
A tax is known as a regressive tax if the proportion of income paid in tax falls as income rises.



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TheCaseSolutions.com 3) Proportional Taxes

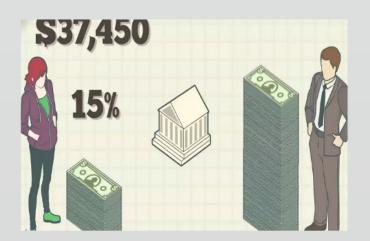
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I think that the best option is:

Progressive Taxes, because there is a certain amount of income that is non-taxed, so a person earning a low income might pay no taxes at all.



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However, when the income moves beyond this minimum, then a certain percentage of the income will have to be paid to the government. Then, as income rises further, a progressive tax would take larger percentages at higher incomes.

"Taxable" income (\$)	% paid as tax
0-10,000	0
10,001-25,000	30%
25,001-50,000	40%
50,001 and higher	50%

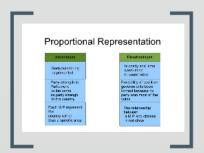
If a person were to earn \$15,000, then they would pay no taxes on the first \$10,000 and 30% on the next \$5,000 so they would pay \$1,500 in taxes. This represents an average tax of 10%



Ejemples of Progressive Taxes







PROGRESSIVE TAX

Advantages

- Income Equality
- Social Justice
- More Government Revenue
- Protection during recession times

Disadvantages

- Prevents taking high paying jobs
- Encourages immigrations
- Discrimination