



### **How the VAT will impact our society**

Generally speaking, the wealthy already have enough money to easily absorb the modest price increases the VAT will have on the goods and services they purchase. Therefore, they will hardly notice it.

However, this will not be the case with the poor. Since the poor have very little money to begin with, and since the products and services they purchase will now be more expensive, their lives will be more negatively impacted than the well-to-do.

To remedy this situation, an annual cash payment of \$250 per adult, and \$100 per child (up to a maximum of three children) has been instituted for those families that earn less than \$25,000 per year. In this way, the regressive nature of the VAT has been softened on those that are most affected by it.

After adjusting for the effect this tax will have on the production of goods and services, **The VAT will bring in \$250 billion annually.**<sup>5</sup>

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<sup>5</sup> [https://www.hamiltonproject.org/assets/legacy/files/downloads\\_and\\_links/THP\\_15WaysFedBudget\\_Prop10.pdf](https://www.hamiltonproject.org/assets/legacy/files/downloads_and_links/THP_15WaysFedBudget_Prop10.pdf)

