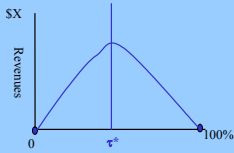
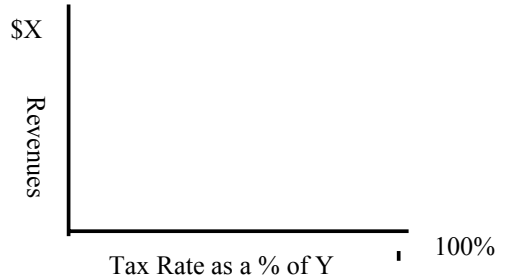


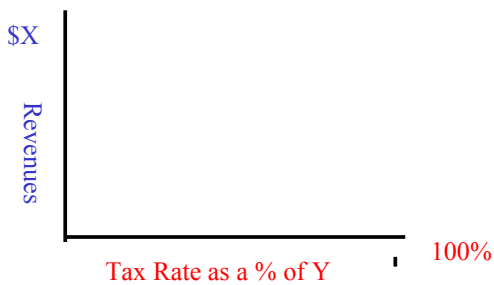
# The Laffer Curve



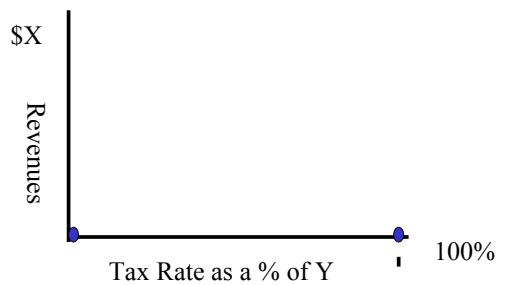
# Do Tax Cuts Cut Revenues?



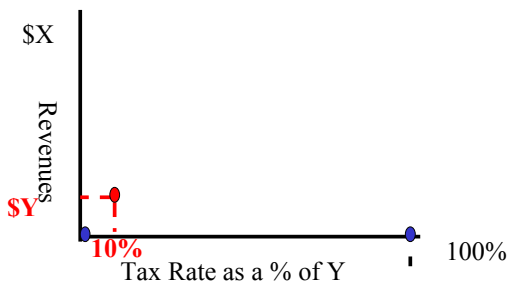
# Do Tax Cuts Cut Revenues?



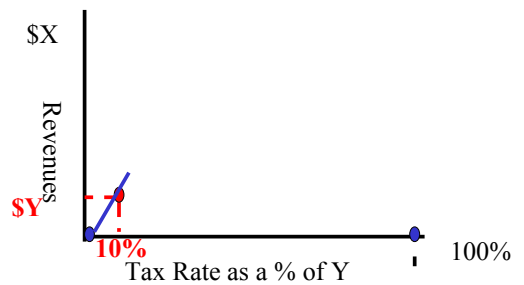
# 0% or 100% Rate = Zero

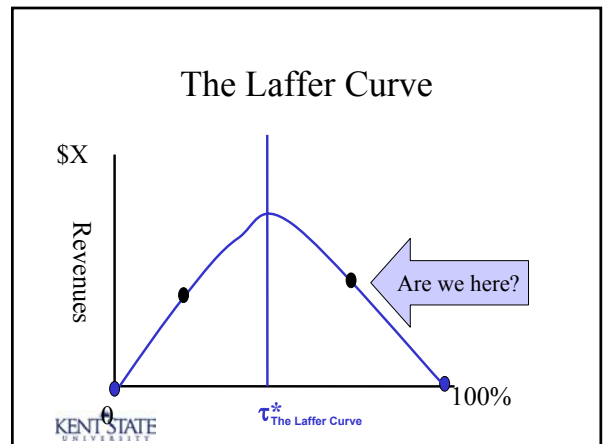
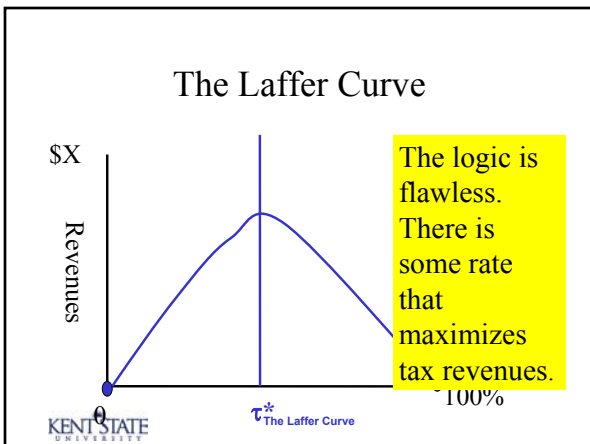
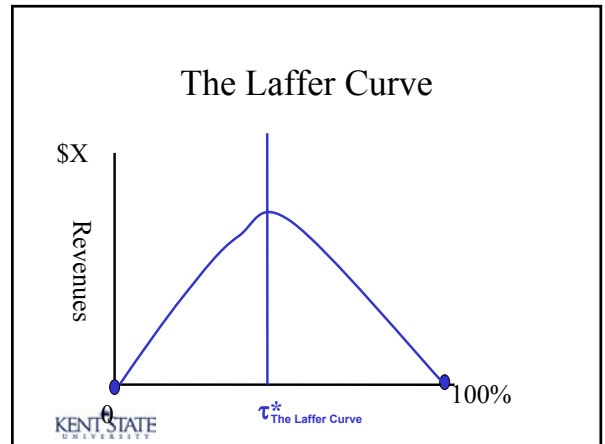
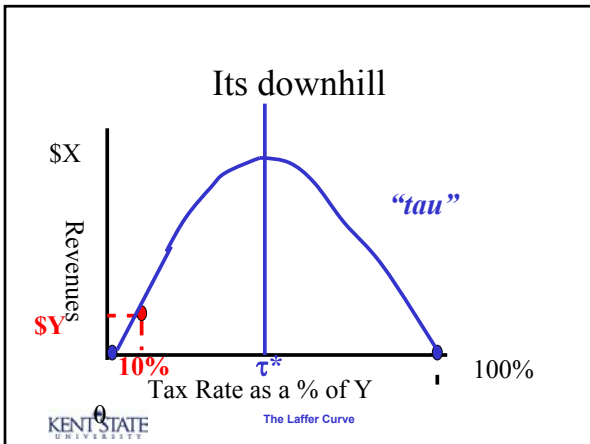
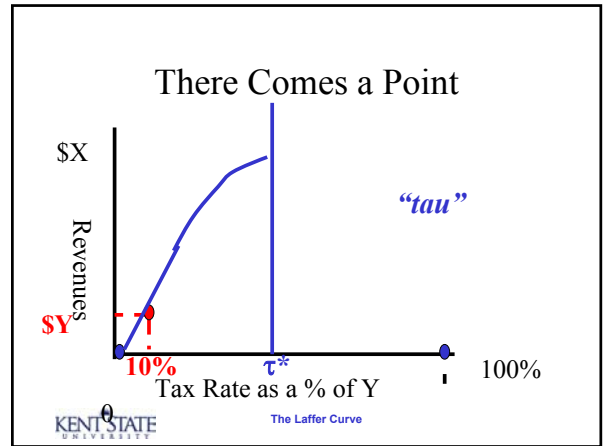
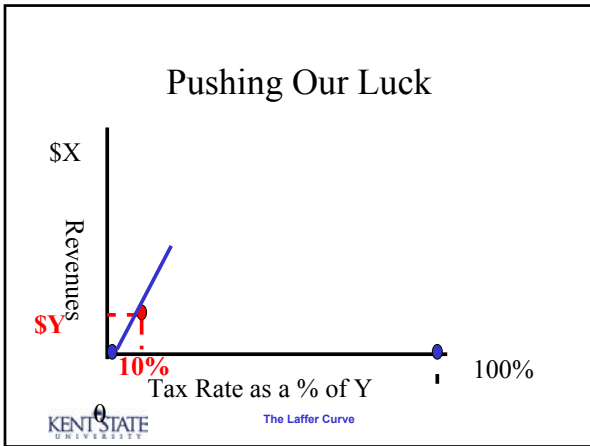


# A 10% Rate

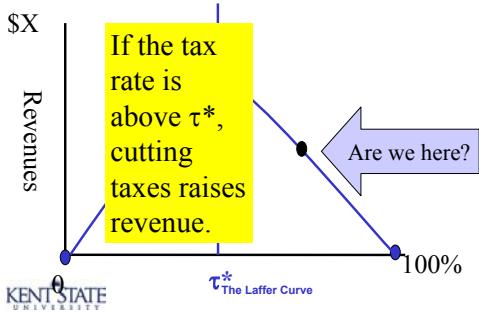


# A 10% Rate

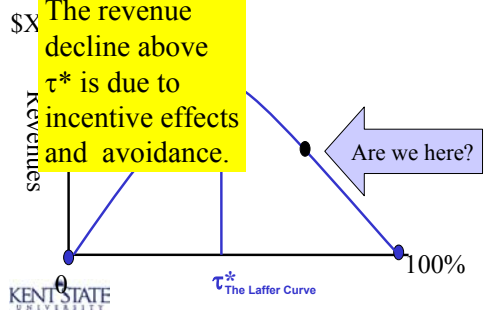




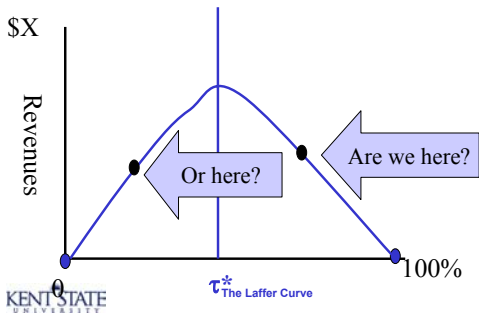
### The Laffer Curve



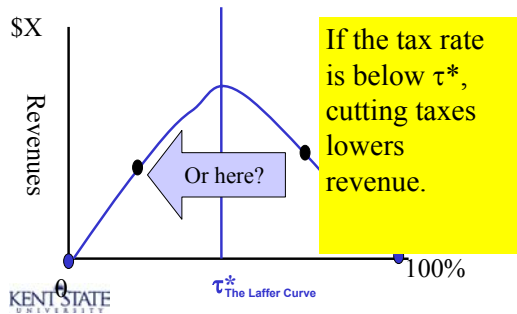
### The Laffer Curve



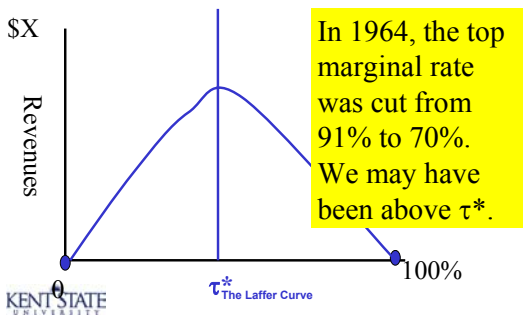
### The Laffer Curve



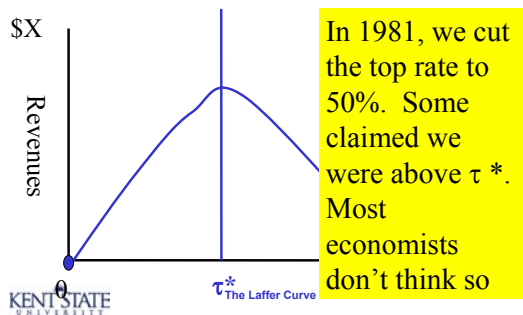
### The Laffer Curve



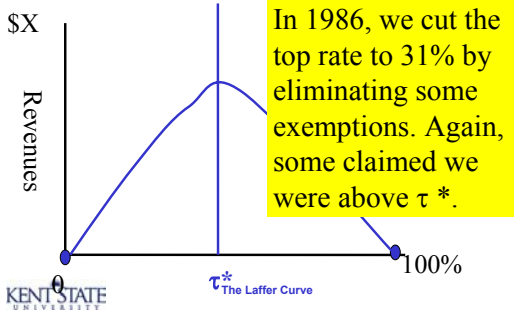
### The 1964 Tax Cuts



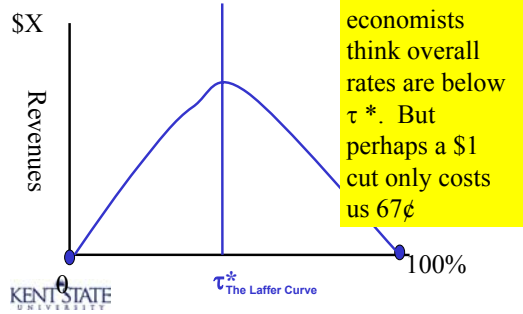
### The 1981 Tax Cuts



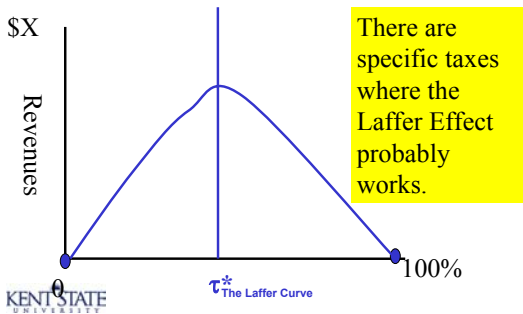
### The 1986 Reforms



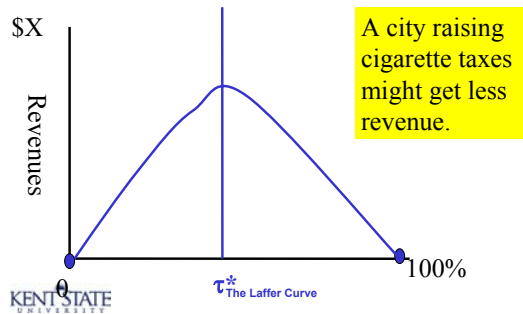
### Today



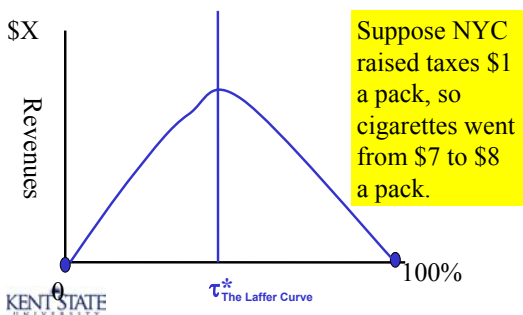
### Specialized Taxes



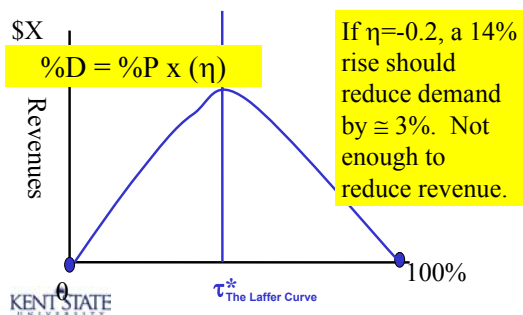
### Cigarette Taxes



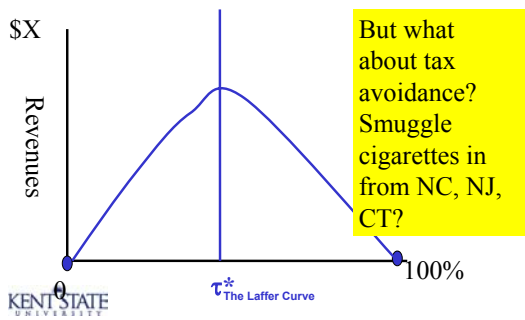
### Cigarette Taxes



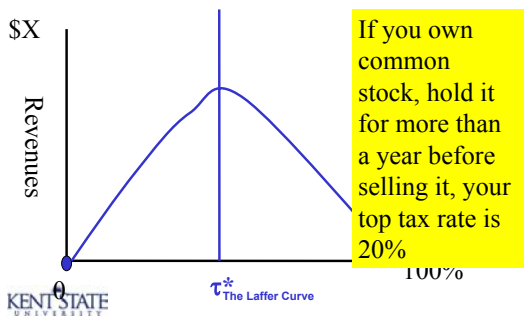
### Cigarette Taxes



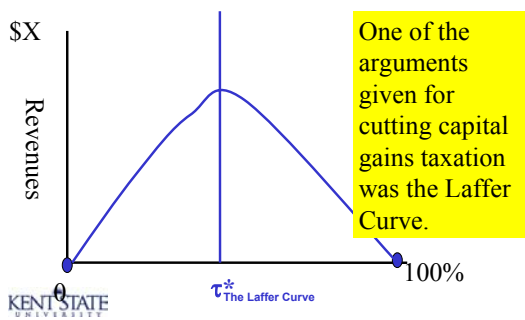
### Cigarette Taxes



### Capital Gains Taxation



### Capital Gains Taxation



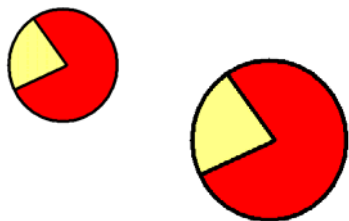
### Supply Side Economics

We know taxation has an impact on the demand for GDP; that is how we cut C and I to make room for G.

The Laffer Curve

### Supply Side Economics

Supply side economics talks about making the pie bigger.



The Laffer Curve

### Supply Side Economics

$$Y_t = A_t K_t^\alpha L_t^{1-\alpha}$$

The Laffer Curve

## Supply Side Economics

$$Y_t = A_t K_t^\alpha L_t^{1-\alpha}$$

How do taxes impact A?

## Supply Side Economics

How do taxes impact K?

$$Y_t = A_t K_t^\alpha L_t^{1-\alpha}$$

How do taxes impact A?

## Supply Side Economics

How do taxes impact K?

$$Y_t = A_t K_t^\alpha L_t^{1-\alpha}$$

How do taxes impact L?

How do taxes impact A?

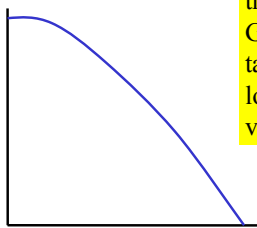
## Supply Side Economics

$$Y_t = A_t K_t^\alpha L_t^{1-\alpha}$$

That requires a detailed look at taxes

## Militant Supply Siders

Size of National Pie

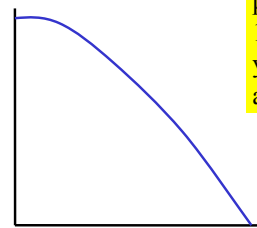


The higher the percent of GDP taken by taxes, the lower the value of GDP

% Taken for Taxes

## Militant Supply Siders

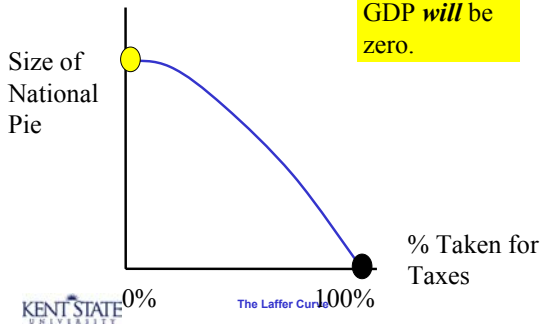
Size of National Pie



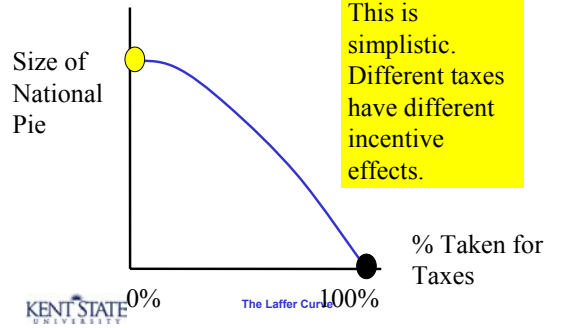
They have a point. Take 100%, and you remove all incentives.

% Taken for Taxes

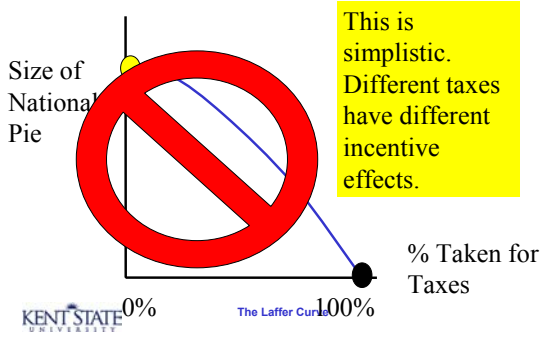
### Militant Supply Siders



### Militant Supply Siders



### Militant Supply Siders



End

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