

REGRESSIVE TAX

A fixed amount or head tax (such as in the Bilby scenario where each citizen paid \$2,000 regardless of their income). An example in Australia of a regressive tax is motor vehicle registration.

PROPORTIONAL TAX

A fixed percentage which is the same for everyone. The Goods and Services tax, which is currently 10% is an example of proportional tax, as is company tax.

PROGRESSIVE TAX

A tax that takes a larger percentage from high-income groups than from low-income groups. This is applied to income tax in Australia.