

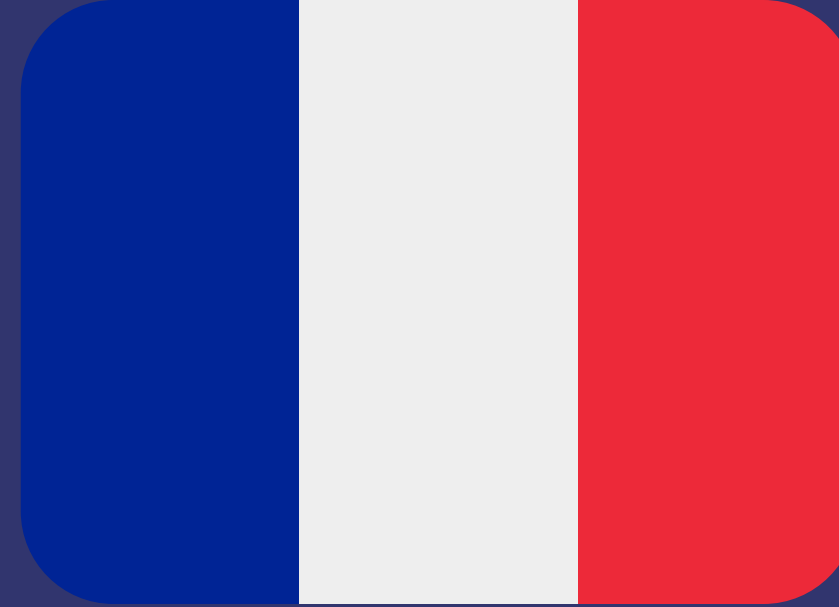


ESSCALAND TAXATION

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1) How does Income Tax works in France ?



USE OF INCOME TAX IN FRANCE

- 57.2% to social protection,
- 15.6% to sectoral spending (culture, environment, transport...),
- 9.5% for education,
- 6.6% for public administration operating services,
- 6.0% for the public sector (defense, justice and security),
- 2.8% for debt servicing,
- 2.3% for research

Current Scale of french income tax

Amount of salary	Percentage of imposition	Tax due
0 to 10,225 EUR	0%	0 EUR
10,226 to 26,070 EUR	11%	1,742.84 EUR
26,071 to 74,545 EUR	30%	14,542.2 EUR
74,546 to 100,000 EUR	41%	10,436.14 EUR

2) ESSCALAND



Some information about the country :

- Small European island between Belgium and the UK
- Federal State whose Capital is Essca City
- Part of the Schengen area
- GDP : 200 billion USD
- Number of citizens : 7 millions
- An historical partnership with the united states
- Main exports: capital goods (agricultural and industrial machinery) & pharmaceutical products
- Health care guaranteed by a social security system like in France



3) Tax Proposal Floating Bands

	FLOATING BANDS	
>90k	45%	45% : Propensity to save, because people are richer and needs nothing else
60 - 90k	35%	
40 - 60k	20%	
20 - 40k	10%	
0 - 20k <i>18-25 years old / or on 5 first year of work</i>	0%	0% : Advantage : Propensity to consume, and encourage entrepreneurship from young citizens



Tax on dividends :

30% because if its too high, rich people will invest less in company, if its too low, too much people will live on invest and that will have a negative impact on economic activity

Tax on Benefits in kind :

For cars Tax 9% of purchase price or 30% of the location/ months

4) Consequences of the Tax Proposal



Young population are
willing to stay in the
country



Increase the
economic growth



Lower the
unemployment