

**From:** Richard Kahn <richardkahn12@gmail.com>

**To:** [REDACTED] <[REDACTED]>

**Subject:** Re: EXPLAINING OUR UNITED STATES TAXING SYSTEM WITH BEER

**Date:** Wed, 24 Aug 2011 19:13:40 +0000

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thanks for update - have a nice trip  
shocked at how long he has been away..

Richard Kahn  
HBRK Associates Inc.  
301 East 66th Street, Suite 10F  
New York, NY 10065  
tel [REDACTED]  
fax 646-350-0954  
cell [REDACTED]

On Aug 24, 2011, at 3:12 PM, [REDACTED] wrote:

i leave tomorrow at 7:30am! I am forwarding the phone line to FTC...

I just got off the phone with JE and he has asked me to book him, SUE and Jen to St. Maartin next Friday Sept 2. He apparently has made other reservations like this and has cancelled them all...we will see what happens!

On Aug 24, 2011, at 2:44 PM, Richard Kahn wrote:

when are you off to Texas?  
enjoy trip..

any word when jee returns??

thanks

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On Aug 24, 2011, at 2:32 PM, [REDACTED] wrote:

ha! good...I thought it explained our taxing system beautifully and knew you would appreciate!

On Aug 24, 2011, at 2:30 PM, Richard Kahn wrote:

just read email - love it  
thanks

going to send to a friend..

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On Aug 18, 2011, at 10:44 AM, [REDACTED] wrote:

had to share this with you! I love it

Begin forwarded message:

**From:** [REDACTED] <[REDACTED]>  
**Date:** August 18, 2011 8:08:51 AM EDT  
**To:** Desk <[REDACTED]>, "[REDACTED] ([REDACTED])"  
<[REDACTED]>  
**Subject: EXPLAINING OUR UNITED STATES TAXING SYSTEM WITH BEER**

EXPLAINING OUR UNITED STATES TAXING SYSTEM WITH BEER

Suppose that every day, ten men go out for beer and the bill for all ten comes to \$100. If they paid their bill the way we pay our taxes, it would go something like this:

The first four men (the poorest) would pay nothing.

The fifth would pay \$1.

The sixth would pay \$3.

The seventh would pay \$7.

The eighth would pay \$12.

The ninth would pay \$18.

The tenth man (the richest) would pay \$59.

So, that's what they decided to do.

The ten men drank in the bar every day and seemed quite happy with the arrangement, until one day, the owner threw them a curve. 'Since you are all such good customers,' he said, 'I'm going to reduce the cost of your daily beers by \$20. Drinks for the ten now cost just \$80.'

The group still wanted to pay their bill the way we pay our taxes so the first four men were unaffected. They would still drink for free.

But what about the other six men - the paying customers? How could they divide the \$20 windfall so that everyone would get his 'fair share?'

They realized that \$20 divided by six is \$3.33.

But if they subtracted that from everybody's share, then the fifth man and the sixth man would each end up being paid to  
drink his beer.

So, the bar owner suggested that it would be fair to reduce each man's bill by roughly the same amount, and he proceeded to work out the amounts each should pay.

And so:

The fifth man, like the first four, now paid nothing (100% savings).

The sixth now paid \$2 instead of \$3 (33% savings).

The seventh now paid \$5 instead of \$7 (28% savings).

The eighth now paid \$9 instead of \$12 (25% savings).

The ninth now paid \$14 instead of \$18 (22% savings).

The tenth now paid \$49 instead of \$59 (16% savings).

Each of the six was better off than before and the first four continued to drink for free, but once outside the restaurant, the men began to compare their savings. 'I only got a dollar out of the \$20,' declared the sixth man.

He pointed to the tenth man, 'but he got \$10!'

'Yeah, that's right,' exclaimed the fifth man. 'I only saved a dollar, too. It's unfair that he got TEN times more than I!'

That's true!!' shouted the seventh man. 'Why should he get \$10 back when I got only two? The wealthy get all the breaks!'

Wait a minute,' yelled the first four men in unison. 'We didn't get anything at all. The system exploits the poor!'

The nine men surrounded the tenth and beat him up.

The next night the tenth man didn't show up for drinks, so the nine sat down and had beers without him. But when it came time to pay the bill, they discovered something very important....they didn't have enough money between all of them for even half of the bill!

And that, boys and girls, journalists and college professors, is how our tax system works.

The people who pay the highest taxes DO get the most benefit from a tax reduction.

They also PAY more than the rest.

Tax them too much, attack them for being wealthy, and they just may not show up anymore.

In fact, they might start drinking overseas where the atmosphere is somewhat friendlier.

David R. Kamerschen, Ph.D.

Professor of Economics

University of Georgia

For those who understand, no explanation is needed.

For those who do not understand, no explanation is possible!

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