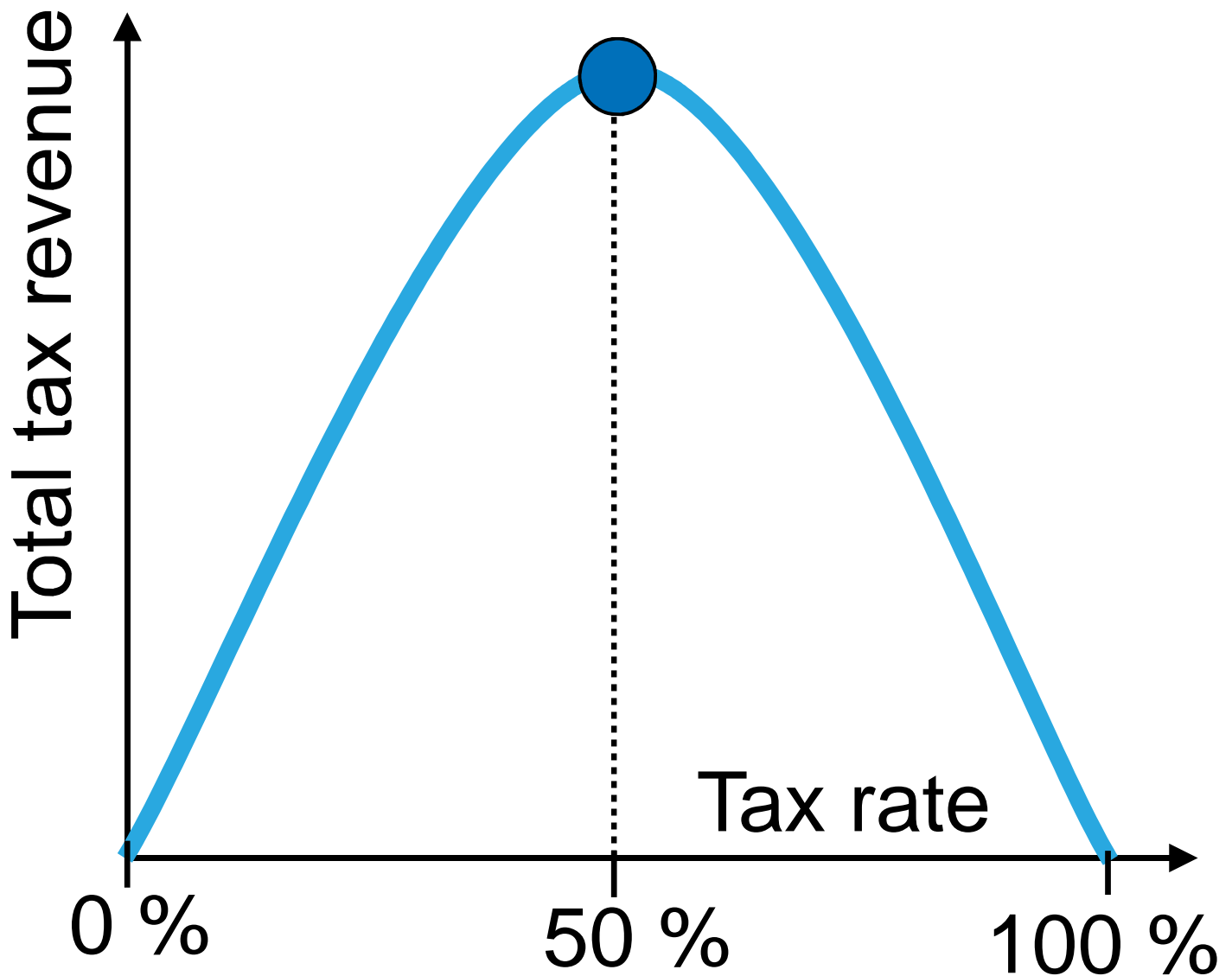


Laffer curve



● = peak, at the tax rate of 50 %

In most cases, the peak will not be at the tax rate of 50 %. Nevertheless, total tax revenue will be low if the tax rate is very low or very high.