

**Example 1**  
**Increase Rate to Raise \$1.00, First Try**

	<b>Income</b>	<b>Tax Rate</b>	<b>Tax</b>	<b>Aftertax Income</b>
<b>Before Change</b>	1,000.00	30.000%	300.00	700.00
<b>Economic Reaction</b>	-1.00			
<b>After Change</b>	999.00	30.100%	300.70	698.30
<b>Net Change</b>			0.70	-1.70
			30%	<b>Negative Feedback</b>

**Example 2**  
**Increase Rate to Raise \$1.00**

	<b>Income</b>	<b>Tax Rate</b>	<b>Tax</b>	<b>Aftertax Income</b>
<b>Before Change</b>	1,000.00	30.00%	300.00	700.00
<b>Economic Effect</b>	-1.43			
<b>After Change</b>	998.57	30.143%	301.00	697.57
<b>Net Change</b>			1.00	-2.43

**Example 3**  
**Decrease Rate for \$1.00 Reduction, First Try**

	<b>Income</b>	<b>Tax Rate</b>	<b>Tax</b>	<b>Aftertax Income</b>
<b>Before Change</b>	1,000.00	30.000%	300.00	700.00
<b>Economic Effect</b>	1.00			
<b>After Change</b>	1,001.00	29.900%	299.30	701.70
<b>Net Change</b>			-0.70	1.70
			30%	<b>Positive Feedback</b>

**Example 4**  
**Decrease Rate for \$1.00 Reduction**

	<b>Income</b>	<b>Tax Rate</b>	<b>Tax</b>	<b>Aftertax Income</b>
<b>Before Change</b>	1,000.00	30.00%	300.00	700.00
<b>Economic Effect</b>	1.43			
<b>After Change</b>	1,001.43	29.857%	299.00	702.43
<b>Net Change</b>			-1.00	2.43