

# Comparing Taxes in China and The US

For the following problems assume that the exchange rate is ¥6 = \$1. Also note that the income listed in the China tax brackets is monthly while that for the US brackets is yearly.

## US Tax Brackets

Tax Bracket (Single)	Tax Bracket (Married)	Tax Bracket (Head of Household)	Marginal Tax Rate
\$0+	\$0+	\$0+	10%
\$9,075+	\$18,150+	\$12,950+	15%
\$36,900+	\$73,800+	\$49,400+	25%
\$89,350+	\$148,850+	\$127,550+	28%
\$186,350+	\$226,850+	\$206,600+	33%
\$405,100+	\$405,100+	\$405,100+	35%
\$406,750+	\$457,000+	\$432,200+	39.6%

## China's Tax Brackets

Tax %	Monthly Income (CNY)
3%	1 - 1,500
10%	1,501-4,500
20%	4,501-9,000
25%	9,001-35,000
30%	35,001-55,000
35%	55,001 - 80,000
45%	80,001 and above

1. How much does a person earning the equivalent of \$10,000 pay in taxes in China?
2. How much does a person earning the equivalent of \$10,000 pay in taxes in the US?
3. How much does a person earning the equivalent of \$20,000 pay in taxes in China?
4. How much does a person earning the equivalent of \$20,000 pay in taxes in the US?
5. How much does a person earning the equivalent of \$100,000 pay in taxes in China?
6. How much does a person earning the equivalent of \$100,000 pay in taxes in the US?
7. Based on the responses to questions 1-6, which income tax is more progressive? Explain your response.