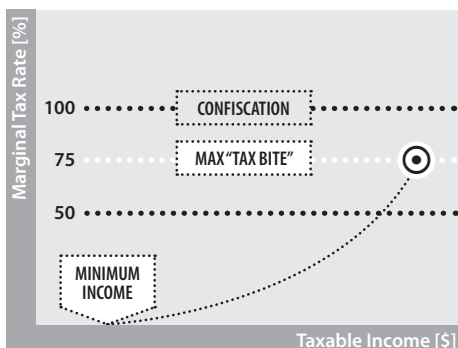


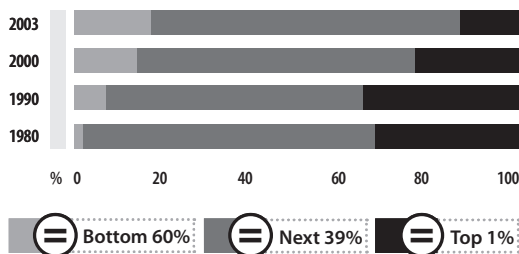
Progressive Income Taxes • Progresywny podatek dochodowy • A system of personal income taxation that gradually increases marginal tax rates of taxation – the “tax bite” – as taxable income rises. While cynics call it “soak the rich” it is based on the economic logic of diminishing marginal utility: the more we have of something, including income, the less valuable it is. Assuming this is the case, then taxing marginal income at higher amounts should be less “painful”.

Progressive Income Tax



Progressive Income Tax

Income tax liability by USA household income percentile



Source: US Congressional Budget Office/“The Economist”, 15 April 2006

Progressive Taxation • Opodatkowanie progresywne • A taxation system that increases *marginal tax rates* as taxable income rises. On the basis that the rich should pay more, not only in absolute amounts but in relative amounts to their income, *vertical equity* is achieved.

Property, Plant and Equipment • PPE • Środki trwałe • A *balance sheet* category of tangible *fixed assets* which represents an enterprise’s production capacity. PPE is typically valued at *historic cost*. Assets subject to wear and tear or obsolescence (e.g. plant and equipment) are *depreciated* to reflect how production volume consumes their value. In certain circumstances, real estate property may be written-up to its market value. Contrast to *current assets* and *intangible assets*.