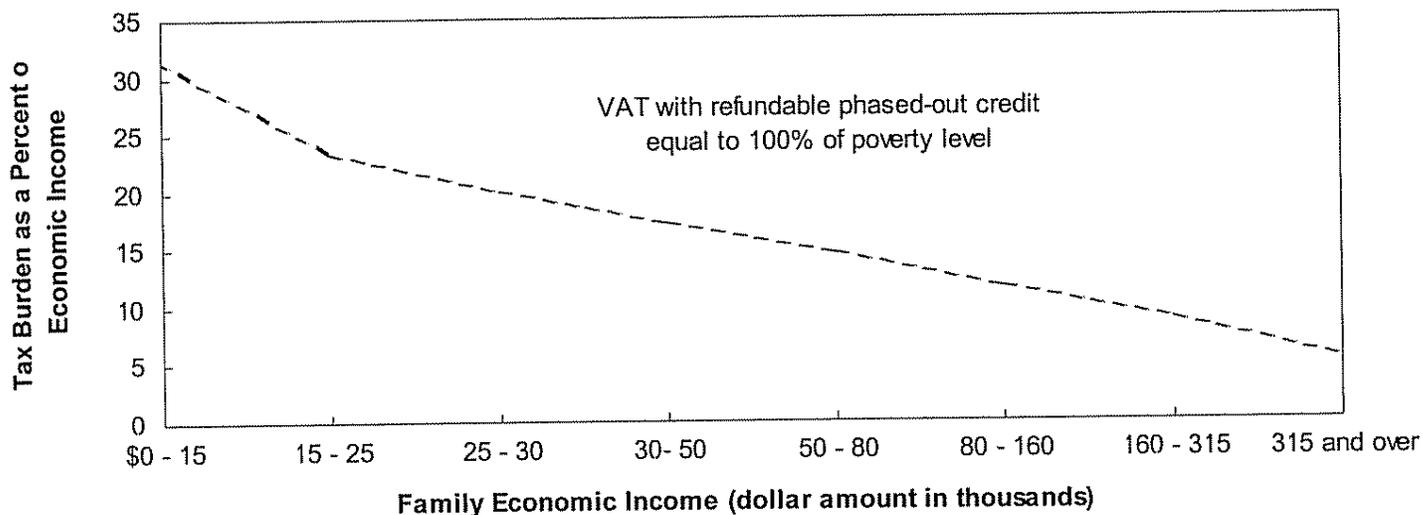


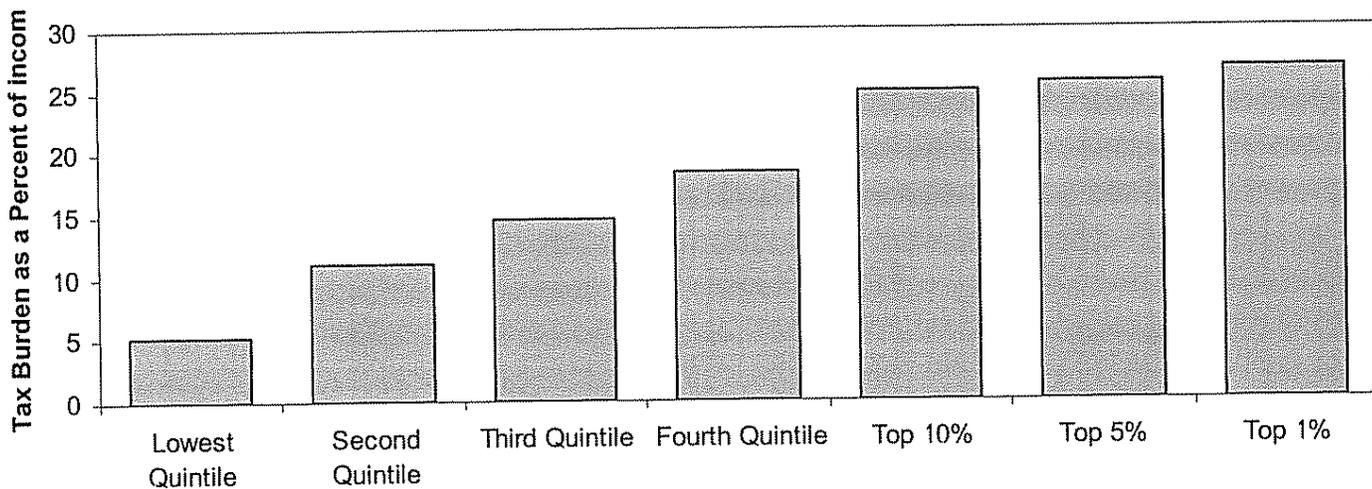
Appendix A

**Distribution of Value-Added Tax  
With Exemption for Poverty Level**  
(Translated to 2003 Dollars and Adjusted for Rate Included in HR 25)



Source: Ways and Means Democratic Staff calculations based on analysis from "Tax Reform for Fairness, Simplicity, and Economic Growth," The Treasury Department Report to the President, November 1984.

**Effective Current-Law Federal Tax Rate**



Source: Congressional Budget Office, "Effective Federal Tax Rates Under Current Law, 2001 to 2014," August 2004. The figure uses rates applicable to 2004.