1. Wealth tax—tax based on the amount of asset
   Income tax—tax based on the level of income

2. Macroecon, since it's more related to a national level and affects the entire economic system. It also affects GDP, which is a VERY macro topic.

(You can also argue micro, as long as you give enough explanations that make sense. In this micro case, you'll want to mention how tax could affect an individual's decision-making and well-being.)

3. The largest earners move elsewhere, and further affect the national economy by taking away potential income, investment opportunities and such.

4. Higher tax rate could drive potential high-income population away, leads to protests (not mentioned in the passage but possible); lower rate makes it difficult for the government to fund additional programs, make investments and many more.

5. Many of you only mentioned income as the determining factor in the decision-making process.

   A rational person will want to maximize his utility, true, but utility does not necessarily mean the amount of money he has. (I could be rational and still want to give all my money away for charity just because I believe it's the right thing to do). You can argue both way, but be careful how you justify your answer.

For the second part, everyone's graph looks awesome, and GDP drops (obviously) at 2008.

There are some different answers to the average GDP. I realize it's because FRED gives different levels of measurements. But just make sure it's the **Real GDP** that you are using, not Nominal GDP.

AND, please please please always give an explanation for your answer, otherwise I'll have no clue why you said what you said. Explanations (if reasonable) may also give you partial credits even when your answer is wrong, so yayy.