

### WHO PAYS THE TAX?

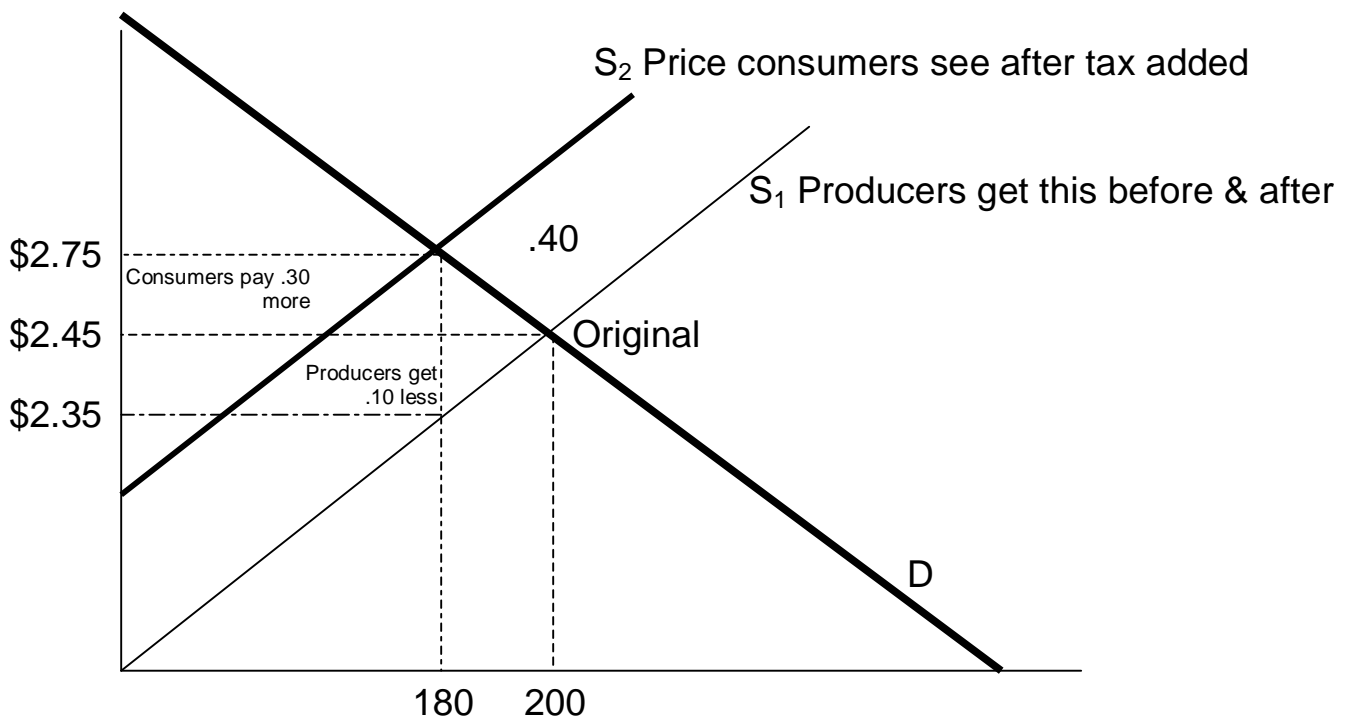
Miller, p.135

*It's just the difference between original price and what each party pays or gets (per qty unit).*

Original 200gal @ \$2.45  
Add .40 tax straight above the supply curve  
New Equilibrium 180gal @ \$2.75

Look at new curves. Tax share is the distance from original equilibrium price to each party's new prices. Consumers see \$2.75, up from \$2.45 = .30 consumers' share of tax  
Producers see \$2.35, down from \$2.45 = .10 producers' share of tax  
(Worse for both parties)

<https://youtu.be/UIWCAdp6sys>



Gallons  
p.135