

- 18** The table shows the income tax rate paid by workers at different levels of income in selected years for a developed economy.

income band (\$)	tax rate year 1 (%)	tax rate year 2 (%)
0 to 4999	0	0
5000 to 9999	10	0
10 000 to 19 999	20	10
20 000 to 29 999	30	30
30 000 to 49 999	40	50
50 000+	40	60

What is most likely to have been the economic objective of the government in changing the tax rates between year 1 and year 2?

- A** to reduce a current account deficit
- B** to reduce income inequality
- C** to reduce inflation
- D** to reduce structural unemployment