

Assessment Solutions

Theme 2: Taxes in U.S. History
Lesson 5: The Wealth Tax of 1935 and the Victory Tax of 1942

Part 1

Match the clue with the correct key term. Write the letter of the key term on the line provided.

- A. mass tax
- B. tax code
- C. progressive taxes
- D. tax evasion
- E. withholding

- D** This problem became rampant after the passage of the Wealth Tax in the 1930s.
- C** The Wealth Tax was an example of this type of tax—it took a big chunk of wealthy peoples' incomes.
- B** Loopholes in this book of tax rules helped many people avoid paying taxes.
- A** The Victory Tax was one type of tax that almost everyone paid.
- E** Workers in 1942 were the first to have this happen to their paychecks.

Part 2

Indicate which tax, the Wealth Tax or the Victory Tax, was the cause or result of each event below. Write the letter of your choice in the space provided.

- B** 1. The New Deal programs needed funding
 - A. Victory Tax
 - B. Wealth Tax
- A** 2. The government had to win the war
 - A. Victory Tax
 - B. Wealth Tax
- B** 3. The government closed loopholes in the tax code
 - A. Victory Tax
 - B. Wealth Tax

- A** 4. Almost every working person in America paid taxes
A. Victory Tax
B. Wealth Tax
- B** 5. Many people tried to avoid paying taxes
A. Victory Tax
B. Wealth Tax

Part 3

Put the following events in chronological order. Write the number that each event took place in the space provided.

- 2** A progressive tax is put in place to fund the New Deal programs.
- 4** A mass tax is put into place to fund the war.
- 5** For the first time, employers withhold money from paychecks.
- 1** An economic downturn causes millions to lose their jobs.
- 3** People avoid paying taxes in record numbers.