

# Assessment Solutions

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Theme 3: Fairness in Taxes  
Lesson 4: Proportional Taxes

## *Part 1*

Match the descriptions below to the correct terms found in the answer key. Write the letter of each term in the space provided.

### ***Answer Key:***

- A. sales taxes
- B. equitable
- C. regressive
- D. flat tax
- E. same

- E** A proportional income tax is a tax in which all income levels are taxed at this rate.
- C** A proportional tax may at first seem to be a fair form of taxation, but the effects are often \_\_\_\_\_.
- B** Proportional taxes, at first glance, may appear to be \_\_\_\_\_.
- D** A proportional tax is often referred to as \_\_\_\_\_.
- A** Many states use a proportional type of \_\_\_\_\_ on merchandise.

## *Part 2*

Indicate whether each of the following statements below is True or False. Write your answer in the space provided.

1. A proportional income tax takes the same percentage of income from all income groups. **True**
2. Flat taxes include fixed amounts of tax on each individual or household. **False**
3. Our federal income tax is a proportional tax. **False**
4. A flat tax can be considered regressive because it takes a greater portion of income from those in lower income groups. **True**
5. Sales taxes tend to be regressive because they take a larger percentage of the income of low-income taxpayers. **True**

## Part 3

Answer the following multiple-choice questions. Write the letter of the correct response in the space provided.

- B** 1. Which is not an example of a commonly used proportional tax?  
A. a sales tax on coats  
B. a state income tax  
C. a tax on a person's house and land  
D. a sales tax on sneakers
- C** 2. A regressive tax takes a higher percentage of income from  
A. higher income groups.  
B. middle income groups.  
C. lower income groups.  
D. none of the above.
- D** 3. A proportional tax would take a percentage of income from all groups except which?  
A. middle income  
B. low income  
C. high income  
D. people with no income
- A** 4. A flat tax is the same as a  
A. proportional tax.  
B. progressive tax.  
C. regressive tax.  
D. none of the above.
- C** 5. Which income tax structure is used in the United States?  
A. proportional  
B. regressive  
C. progressive  
D. none of the above