

Assessment

Theme 4: What is Taxed and Why
Lesson 1: Federal/State/Local Taxes

Part 1

Match the descriptions with the correct key term. Write the letters of the correct key terms on the lines provided.

Answer Key:

- A. General sales taxes
- B. Individual income taxes
- C. Property taxes
- D. Corporate taxes
- E. Total license taxes

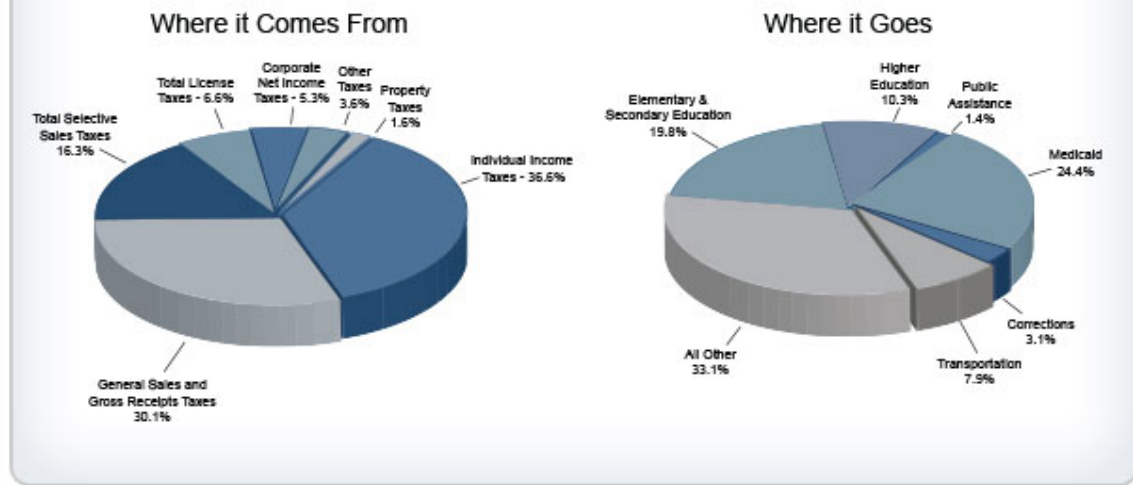
- ___ 1. The largest share of federal tax revenue comes from _____.
- ___ 2. What homeowners pay based on the value of the residence.
- ___ 3. _____ make up 6.6 percent of state and local revenue.
- ___ 4. Communities sometimes waive _____ to bring new businesses to town.
- ___ 5. Taxes collected on the sale of clothes are an example of this type of tax.

Part 2

Rank the following revenue sources in the order in which they contribute to state and local income. Use 1 to label the item that contributes the greatest amount. Use 5 for the item that contributes the least. Consult the pie chart on the next page for help. Write your answer in the space provided.

- ___ Individual income tax
- ___ Property tax
- ___ License taxes
- ___ Corporate income taxes
- ___ General sales and gross receipts taxes

State and Local Revenue and Expenditures



Part 3

Match state and local expenditures to the percentage of spending. Write the letters of the correct percentages on the lines provided. Consult the pie above below for help.

Answer Key:

- A. 19.8%
- B. 3.1%
- C. 1.4%
- D. 7.9%
- E. 24.4%

- ___ 1. Medicaid
- ___ 2. Transportation
- ___ 3. Public Assistance
- ___ 4. Corrections
- ___ 5. Elementary & Secondary Education