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SECTION I QUIZ

Where the Money Comes From: Taxes

A. KEY TERMS AND CONCEPTS

Match the descriptions in Column I with the terms in Column II. Write the correct letter in each blank.

Column I

- _____ 1. tax levied at a flat rate
- _____ 2. declaration of taxable income along with deductions and exemptions
- _____ 3. taxes automatically withheld by employers
- _____ 4. tax based on ability to pay
- _____ 5. tax on imports

Column II

- a. tax return
- b. progressive tax
- c. regressive tax
- d. custom duty
- e. payroll tax

B. MAIN IDEAS

Write the letter of the correct answer in the blank provided.

- _____ 6. The Federal Government gets the bulk of its annual revenues from
 - a. individual income taxes.
 - b. corporate income taxes.
 - c. customs duties.
 - d. excise taxes.
- _____ 7. Which of the following is NOT a constitutional limitation on Congress's power to tax?
 - a. Congress cannot impose taxes for the benefit of a private interest.
 - b. Congress cannot impose regressive taxes.
 - c. Congress cannot impose export taxes.
 - d. All indirect taxes must be levied at the same rate throughout the country.
- _____ 8. _____ are indirect taxes.
 - a. Income taxes
 - b. Estate taxes
 - c. Excise taxes
 - d. Property taxes
- _____ 9. Besides raising revenues, the other major reason that the Federal Government imposes taxes is to
 - a. stimulate the economy.
 - b. redistribute wealth.
 - c. regulate potentially harmful activities.
 - d. encourage activities it deems beneficial.
- _____ 10. Which of the following is NOT one of the social programs for which the Federal Government collects monies from most workers and employers?
 - a. Medicare
 - b. social security (OASDI)
 - c. Education Fund
 - d. unemployment compensation