

Name: _____

Date: _____

Multiple Choice: Taxes

Answer each question by circling the most appropriate answer.

1. What is a tax?

- a. the money that companies have to pay to their employees for the work that they do
- b. money collected by the government to help pay for public needs, like schools and roads
- c. the income earned by a business over a period of time
- d. fees that government officials must pay when they are elected to an office

2. When a portion of your paycheck goes to the state and federal government, this is a tax on your _____.

- a. property
- b. income
- c. savings account
- d. items you purchased
- e. business

3. What is income tax?

- a. money you pay on the earnings you get from a job
- b. money that the government pays you for having a job
- c. another word for profit
- d. money that goes into a savings account

4. What is a sales tax?

- a. when prices of things go up over time
- b. when someone lets you borrow money that you promise to pay back later
- c. the extra money you receive when putting money into a savings account
- d. a tax added to the price of the things you buy

5. What is property tax?

- a. the money you make after selling something, and subtracting the cost of making it
- b. the income earned by a business over a period of time
- c. taxes you pay on things you own, especially a house or land

6. How does the government know how much to tax everybody on their income and property?

- a. the government doesn't know how much to tax everybody and it is like a guessing game
- b. the government looks at how much you earn and tax based on your income
- c. everybody pays the same amount of taxes
- d. none of the answer choices are correct



Name: ANSWER KEY

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