

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 |
|--|--|---|--|



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