Assessment

Theme 1: Your Role as a Taxpayer
Lesson 1: Why Pay Taxes?

Part 1

Match the clues to the correct terms found in the answer key. Write the letter of each term in the space before each clue.

**Answer Key:**
A. Taxes
B. Public goods and services
C. Revenue
D. Resources
E. Defense

**Part 2**

Use the pie chart below titled “Income” to complete this activity. Match the taxes to the correct percentage they contribute to federal revenue in the answer key. Write the letter of each percentage in the space before each of the taxes.

**Income and Outlays.** These pie charts show the relative sizes of the major categories of federal income and outlays for fiscal year 2022.

*Numbers may not total to 100% due to rounding.*
Answer Key:
A. 24%
B. 7%
C. 32%
D. 30%

D  Borrowing to cover deficit
A  Social Security, Medicare, unemployment and other retirement taxes
B  Corporate income taxes
C  Personal income taxes

Part 3
Use the pie charts from Part 2 to answer the following questions. Indicate whether each of the statements below is True or False. Write your answer in the space provided.

1. The largest federal outlay is for Defense. False
2. Social Security, Medicare, and other retirement accounts for 38% of federal spending. True
3. Personal income tax accounts for the greatest tax revenue. True
4. More government dollars are spent on Law Enforcement than on Defense. False
5. Corporate Income Taxes make up 7% of federal revenue. True