Part 1

Indicate whether each of the statements below is True or False. Write your answer in the space provided.

1. The only goal of lawmakers in creating taxes is to raise revenue.  **False**
2. Excise taxes and tariffs provide the federal government with revenue.  **True**
3. The Constitution of the United States has always granted the power to raise income taxes. **False**
4. The Sixteenth Amendment allowed the federal government to raise income taxes for the first time. **False**
5. A progressive tax means that people with higher incomes pay more in taxes than people with lower incomes. **True**

Part 2

Answer the following multiple-choice questions. Write the letter of the response that best answers each question in the space provided.

D  1. Tax on imported fish
   A. To raise revenue
   B. To influence behavior
   C. To be fair to taxpayers
   D. To raise revenue and influence behavior
   E. To raise revenue and to be fair to taxpayers

E  2. Income tax
   A. To raise revenue
   B. To influence behavior
   C. To be fair to taxpayers
   D. To raise revenue and influence behavior
   E. To raise revenue and to be fair to taxpayers
A 3. Tax on heating oil and petroleum products
   A. To raise revenue
   B. To influence behavior
   C. To be fair to taxpayers
   D. To raise revenue and influence behavior
   E. To raise revenue and to be fair to taxpayers

D 4. Tax on rum and other alcoholic beverages
   A. To raise revenue
   B. To influence behavior
   C. To be fair to taxpayers
   D. To raise revenue and influence behavior
   E. To raise revenue and to be fair to taxpayers

D 5. Tax on cigarettes
   A. To raise revenue
   B. To influence behavior
   C. To be fair to taxpayers
   D. To raise revenue and influence behavior
   E. To raise revenue and to be fair to taxpayers

Part 3

Answer the following multiple-choice questions. Write the letter of the response that best answers each question in the space provided.

A 1. The federal government took steps to raise revenue during the Civil War.
   A. income tax
   B. tariff and excise taxes

B 2. The Articles of Confederation gave the right to collect taxes only to state governments.
   A. income tax
   B. tariff and excise taxes

A 3. Industrialization and modernization made some people very rich.
   A. income tax
   B. tariff and excise taxes

B 4. The newly ratified Constitution allowed the federal government to raise and collect taxes.
   A. income tax
   B. tariff and excise taxes

A 5. The Sixteenth Amendment was passed.
   A. income tax
   B. tariff and excise taxes