Part 1

Match the clue with the correct key term. Write the letter of the key term on the line provided.

A. mass tax  
B. tax code  
C. progressive taxes  
D. tax evasion  
E. withholding

D  This problem became rampant after the passage of the Wealth Tax in the 1930s.
C  The Wealth Tax was an example of this type of tax—it took a big chunk of wealthy peoples’ incomes.
B  Loopholes in this book of tax rules helped many people avoid paying taxes.
A  The Victory Tax was one type of tax that almost everyone paid.
E  Workers in 1942 were the first to have this happen to their paychecks.

Part 2

Indicate which tax, the Wealth Tax or the Victory Tax, was the cause or result of each event below. Write the letter of your choice in the space provided.

B  1. The New Deal programs needed funding  
   A. Victory Tax  
   B. Wealth Tax

A  2. The government had to win the war  
   A. Victory Tax  
   B. Wealth Tax

B  3. The government closed loopholes in the tax code  
   A. Victory Tax  
   B. Wealth Tax
A 4. Almost every working person in America paid taxes
   A. Victory Tax
   B. Wealth Tax

B 5. Many people tried to avoid paying taxes
   A. Victory Tax
   B. Wealth Tax

Part 3

Put the following events in chronological order. Write the number that each event took place in the space provided.

2  A progressive tax is put in place to fund the New Deal programs.
4  A mass tax is put into place to fund the war.
5  For the first time, employers withhold money from paychecks.
1  An economic downturn causes millions to lose their jobs.
3  People avoid paying taxes in record numbers.