

Assessment

Theme 3: Fairness in Taxes
Lesson 4: Proportional Taxes

Part 1

Match the descriptions below to the correct terms found in the answer key. Write the letter of each term in the space provided.

Answer Key:

- A. sales taxes
- B. equitable
- C. regressive
- D. flat tax
- E. same

_____ A proportional income tax is a tax in which all income levels are taxed at this rate.

_____ A proportional tax may at first seem to be a fair form of taxation, but the effects are often _____.

_____ Proportional taxes, at first glance, may appear to be _____.

_____ A proportional tax is often referred to as _____.

_____ Many states use a proportional type of _____ on merchandise.

Part 2

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

1. A proportional income tax takes the same percentage of income from all income groups. _____
2. Flat taxes include fixed amounts of tax on each individual or household. _____
3. Our federal income tax is a proportional tax. _____
4. A flat tax can be considered regressive because it takes a greater portion of income from those in lower income groups. _____
5. Sales taxes tend to be regressive because they take a larger percentage of the income of low-income taxpayers. _____

Part 3

Answer the following multiple-choice questions. Write the letter of the correct response in the space provided.

- _____ 1. Which is not an example of a commonly used proportional tax?
A. a sales tax on coats
B. a state income tax
C. a tax on a person's house and land
D. a sales tax on sneakers
- _____ 2. A regressive tax takes a higher percentage of income from
A. higher income groups.
B. middle income groups.
C. lower income groups.
D. none of the above.
- _____ 3. A proportional tax would take a percentage of income from all groups except which?
A. middle income
B. low income
C. high income
D. people with no income
- _____ 4. A flat tax is the same as a
A. proportional tax.
B. progressive tax.
C. regressive tax.
D. none of the above.
- _____ 5. Which income tax structure is used in the United States?
A. proportional
B. regressive
C. progressive
D. none of the above