Assessment

Theme 4: What is Taxed and Why
Lesson 1: Federal/State/Local Taxes

Part 1
Match the descriptions with the correct key term. Write the letters of the correct key terms on the lines provided.

Answer Key:
A. General sales taxes
B. Individual income taxes
C. Property taxes
D. Corporate taxes
E. Total license taxes

____ 1. The largest share of federal tax revenue comes from ______.
____ 2. What homeowners pay based on the value of the residence.
____ 3. ______ make up 6.6 percent of state and local revenue.
____ 4. Communities sometimes waive ______ to bring new businesses to town.
____ 5. Taxes collected on the sale of clothes are an example of this type of tax.

Part 2
Rank the following revenue sources in the order in which they contribute to state and local income. Use 1 to label the item that contributes the greatest amount. Use 5 for the item that contributes the least. Consult the pie chart on the next page for help. Write your answer in the space provided.

____ Individual income tax
____ Property tax
____ License taxes
____ Corporate income taxes
____ General sales and gross receipts taxes
Part 3

Match state and local expenditures to the percentage of spending. Write the letters of the correct percentages on the lines provided. Consult the pie above below for help.

**Answer Key:**
A. 19.8%
B. 3.1%
C. 1.4%
D. 7.9%
E. 24.4%

___ 1. Medicaid
___ 2. Transportation
___ 3. Public Assistance
___ 4. Corrections
___ 5. Elementary & Secondary Education