



Section 1: Guided Reading and Review

What Are Taxes?

A. As You Read

As you read Section 1, supply the requested information in the spaces provided. Explain what gives the government the power to collect taxes.

1. _____

List four ways in which the government's power to tax is limited.

2. _____

3. _____

4. _____

5. _____

List and define the three types of tax structures.

6. _____

7. _____

8. _____

List and define the characteristics of a good tax.

9. _____

10. _____

11. _____

12. _____

B. Reviewing Key Terms

Complete each sentence by writing the correct term in the blank provided.

13. The income, property, good, or service that is subject to tax is considered a _____.

14. The _____ is the final burden of a tax.

15. Sales tax is a type of _____ tax.

16. With a _____ the percentage of income paid in taxes remains the same for all income levels.

17. Income tax is a type of _____ tax.

18. The income that government receives is called _____.