



Section 4: Guided Reading and Review

State and Local Taxes and Spending

A. As You Read

As you read Section 4, fill in examples of each item in the space provided.

Spending

(State Governments)

Provide examples of goods or services on which state taxes are spent for each category.

1. Education: _____

2. Public Safety: _____

3. Highways and Transportation: _____

4. General Welfare: _____

5. Arts and Recreation: _____

6. Administration: _____

(Local Governments)

Provide examples of goods or services on which local taxes are spent for each category.

12. Law enforcement: _____

13. Public facilities: _____

14. Public health: _____

Sources of Revenue

(State Governments)

Provide examples of each type of tax from which states earn revenue.

7. Sales Tax: _____

8. Excise Tax: _____

9. Income Tax: _____

10. Corporate Income Tax: _____

11. Business Taxes: _____

(Local Governments)

Provide examples of each type of tax from which local governments earn revenue.

15. Property Taxes: _____

16. Other Taxes: _____

B. Reviewing Key Terms

Answer each of the following questions.

17. What is the difference between real property and personal property? _____

18. What is the difference between an operating budget and a capital budget? _____

19. What is a sales tax? _____

20. What is the relationship between revenues and spending in a balanced budget? _____
