

Three Basic Tax Types

Worksheet

Name: _____

Date: _____

1. Most taxes can be divided into three buckets: Taxes on what you _____, taxes on what you _____, and taxes on what you _____.
2. Many individual income taxes are “progressive,” meaning tax rates (INCREASE | DECREASE) as a taxpayer’s income (INCREASES | DECREASES), resulting in (HIGHER | LOWER) -earners paying a *larger share* of income taxes than (HIGHER | LOWER)-earners.
3. TRUE | FALSE: While C corporations are required to pay the corporate income tax, the burden of the tax falls not only on the business but *also on its consumers and employees through higher prices and lower wages*.
4. TRUE | FALSE: The economic burden of payroll taxes is mostly borne by *employers*.
5. Gross receipts taxes (GRTs) are applied to _____, regardless of profitability and without deductions for business expenses.
6. “Tax pyramiding” is when:
7. What consumption tax avoids tax pyramiding?
8. Overall, taxes on real property are relatively _____, _____, and _____, whereas taxes on tangible personal property are more problematic.
9. List two reasons most U.S. states have moved away from estate and inheritance taxes:
10. Payroll taxes are paid by the _____, but the economic burden falls mainly on the _____. Corporate Income Taxes (CIT) are levied on a business’ _____.