

Not All Taxes Are Created Equal

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. Taxes on the most mobile factors in the economy, such as capital, cause the (MOST | LEAST) distortions and have the (MOST | LEAST) negative impact. Taxes on factors that can't easily be moved, such as land, are the (MOST | LEAST) stable and (MOST | LEAST) distortive.
 3. TRUE | FALSE: Payroll taxes are one of the *most harmful* ways to raise revenue.
 4. TRUE | FALSE: Individual income taxes have a *negative effect* on the economy.
 5. Gross receipts taxes (GRTs) are applied to _____, regardless of profitability and without deductions for business expenses.
 6. "Tax pyramiding" is when:
 7. What is the best federal tax policy change to produce economic growth?
 8. Because of their _____, excise taxes distort production and consumption choices.
 9. Property taxes are (MORE | LESS) distortive than capital and income taxes.
 10. Which tax policy delivers the best "bang for your buck?"
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