**Taxes**

Tax

* A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ imposed by the government on people or property to raise \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to meet \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* The power to tax is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ power – belonging to both the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_government. The power to tax is also an expressed power of the national government – Article I Section 8

Direct Tax

* A tax that is paid \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_by the person whom it is imposed upon
  + Ex. Tax placed on land

Indirect Tax

* A tax that is paid by one person and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
  + Ex. Tax placed on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Paid first by the Tobacco Company, then passed on through the wholesaler and retailer to the person who buys and uses the cigarettes

Deficit Financing

* The Federal Government regularly spends more than it takes in each year – and borrows $ to make up the difference. The philosophy of spending has helped America get through the Great Depression, raise $ for WWII, and fund social programs

Public Debt

* $ borrowed by the government and not yet repaid

Progressive Tax

* The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ one’s income, the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the tax
  + Ex. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Tax – the highest source of revenue for the Federal Government is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ taxes

Regressive Tax

* Taxes imposed at a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ rate
  + Ex. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Tax – Everyone pays 7.25% in North Carolina regardless of income

Federal Government Taxes and Social Programs

* The Federal government collects huge sums of $ to pay for three social welfare programs
  + 1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- $ for those retired
  + 2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_– medical care for the retired
  + 3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – payment for those without work

Excise Tax

* Tax on the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of goods. These are often called “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_”
  + Ex. Gasoline, Oil, Tires, Wine, Liquor, Firearms, Telephone services, and Airline tickets

Estate Tax

* Tax placed on the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the estate) of one who \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gift Tax

* Tax imposed on the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Custom Duty

* Tax imposed on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ brought into the US