

# Taxes Worksheet YFF Week 13

## MULTIPLE CHOICE WORKSHEET

**1 What is the main purpose of taxes?**

- a) To fund government activities
- b) To punish citizens
- c) To provide citizens with extra money

**2 What is tax evasion?**

- a) A legal method of reducing taxes
- b) Not paying your taxes, which is illegal
- c) The same as tax deductions

**3 What were the Panama Papers?**

- a) A collection of 11.5 million documents that revealed tax fraud and crime within the wealthy elite
- b) A set of papers that showed how to file taxes
- c) A type of tax form used in Panama

**4 What are marginal tax rates?**

- a) Taxes that everyone pays regardless of their income
- b) Taxes that increase as your income increases
- c) Taxes that decrease as your income increases

**5 What is a payroll tax?**

- a) A tax paid by the employee
- b) A tax paid by the employer
- c) A tax paid by the government



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**What is a sales tax?**

- a) A tax on profits from an investment
- b) A tax on a property paid by the owner
- c) A tax charged after a sale

7

**What is a capital gains tax?**

- a) A tax on a property paid by the owner
- b) A tax on the profit of an investment when it is sold
- c) A tax on sales of items in a particular industry

8

**What is property tax?**

- a) A tax on profits from an investment
- b) A tax on a property paid by the owner
- c) A tax charged after a sale

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**What are some things you will need to gather to do your income taxes?**

- a) Social security number, medical bills, and last year's tax returns
- b) State/local taxes paid, educational expenses, and phone bills
- c) Both A and B

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**What is a tax deduction?**

- a) Anything that raises a person or an organization's tax liability
- b) Anything that lowers a person or an organization's tax liability
- c) Money that taxpayers subtract directly from taxes

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**What is an audit?**

- a) The review of your tax returns by the IRS
- b) The same as a tax deduction
- c) A type of tax form used in some states



# Taxes Answer Key

**Answer key for worksheet above**

1. A

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2. B

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3. A

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4. B

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5. B

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6. C

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7. B

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8. B

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9. C

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10. B

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11. A

