**Taxation: Define the following terms**

**Answer the following study questions about taxes (pp. 228—244)**

1. How do people try to minimize taxes?
2. How can high taxes depress productivity?
3. How can higher taxes on companies affect individual consumers?
4. A sales tax is often considered to be “regressive”. Why is this so?
5. What is the purpose of a gift tax?
6. Which states do NOT have an income tax?

**Terms: Complete the following vocabulary from pp. 228--244**

1. Sin tax
2. Tax loophole
3. Individual income tax
4. Sales tax
5. Tax return
6. Benefit principle
7. Ability-to-pay principle
8. Proportional tax
9. Progressive tax
10. Regressive tax
11. Medicare
12. IRS
13. FICA
14. Property tax
15. Customs duties

**Taxation: Define the following terms**

**Answer the following study questions about taxes (pp. 228—244)**

1. How do people try to minimize taxes?
2. How can high taxes depress productivity?
3. How can higher taxes on companies affect individual consumers?
4. A sales tax is often considered to be “regressive”. Why is this so?
5. What is the purpose of a gift tax?
6. Which states do NOT have an income tax?

**Terms: Complete the following vocabulary from pp. 228--244**

1. Sin tax
2. Tax loophole
3. Individual income tax
4. Sales tax
5. Tax return
6. Benefit principle
7. Ability-to-pay principle
8. Proportional tax
9. Progressive tax
10. Regressive tax
11. Medicare
12. IRS
13. FICA
14. Property tax
15. Customs duties