

Name : _____ Date : _____

ECONOMICS LESSON: TAXES

Key Term

tax—Money that people and businesses pay to the government.
Taxes are used to pay for public services like schools, roads, hospitals, and safety.

Summary

Taxes are an important part of everyday life.
People pay taxes when they earn money, buy things, or own property.
The government uses tax money to provide services for everyone, such as building roads, running schools, and helping communities stay safe.
There are different types of taxes.
Some common ones are **sales tax, income tax, and property tax.**

Choose the correct answer. Write the letter in the blank.

1. Maya buys a snack for \$3 and pays an extra \$0.30 in tax. What type of tax is this?
A. income tax
B. sales tax
C. property tax
D. payroll tax
 2. Rafi pays tax based on the money he earns from his job. What type of tax is this?
A. income tax
B. sales tax
C. excise tax
D. property tax
 3. Dina's family pays tax for the house they own. What type of tax is this?
A. sales tax
B. payroll tax
C. property tax
D. excise tax
-

Solve the problems. Show your answer clearly.

A student earns \$50 from helping neighbors. If income tax is 10%, how much tax

A game costs \$20. The sales tax is 5%. How much tax will you pay?

A family paid \$1,000 in property tax last year. This year, it increases by \$100.
How much do they pay now?
