

## Government Taxes and Spending Review

### True/False

Indicate whether the statement is true or false.

- \_\_\_\_\_ 1. The budget at all levels of the government stays the same until a new president is elected to office.
- \_\_\_\_\_ 2. Although in the top three in terms of spending by the federal government, social security falls under the discretionary spending category in the budget.
- \_\_\_\_\_ 3. The Federal Income Tax is a type of progressive tax.
- \_\_\_\_\_ 4. Mandatory spending is established by the Constitution of the United States while discretionary spending is determined by a vote of Congress.

### Completion

Complete each statement.

- 5. What are the areas in which a tax base can be created?
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
- 6. What segment of the population would oppose a progressive income tax?  
\_\_\_\_\_
- 7. What level(s) of a government must balance their budget each year?  
  
\_\_\_\_\_
- 8. The type of spending that must take place based on Constitutional laws and amendments.  
\_\_\_\_\_
- 9. What is the money collected by the government through taxes called?  
\_\_\_\_\_
- 10. What area of the budget does the federal government spend most of the money taken in through taxes?  
\_\_\_\_\_
- 11. A corporate income tax places a tax on the \_\_\_\_\_ made by a business each year.
- 12. In a progressive tax, a larger share of income is taken from \_\_\_\_\_ than from \_\_\_\_\_.

Name: \_\_\_\_\_

ID: A

13. What is equal between low-income taxpayers and high-income taxpayers in a proportional tax?

\_\_\_\_\_

**Short Answer**

14. Why do people from the lower wage-earning classes oppose regressive taxes?

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15. What are examples of the areas of discretionary spending?

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