

Taxes

Three Tax Structures

1. Progressive:
2. Regressive:
3. Proportional:

Personal Opinion?

Four Tax Bases

1. Individual Income Tax
 - a. FICA is _____ & _____
2. Sales Tax: % tax on purchase _____.
 - a. Sin Tax: Taxes used to deter negative behavior.
Ex:
3. _____: % on each property owner.
4. Corporate Income Tax: Corporations pay income taxes
 - a.
 - b.

Two Theories of Taxation

1. _____: Each person is responsible for filing a tax return.
2. _____: Those who directly benefit from the service provided by the taxation should pay the taxes.

Evasion vs. Avoidance

1. _____: Failure to pay legal taxes due.
2. _____: Legal means of decreasing your tax bill.
 - a. Exemptions – Fixed amount you can subtract.
Ex.
 - b. Deductions – Variable amount subtracted from income.
Ex.

“ In this world, nothing can
be said to be certain
except **Death**
and
Taxes ”



Benjamin Franklin, Excerpt from a letter to Jean-Baptiste Leroy