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**Tax Questions**

**Chapter 9**

1. What is a sin tax and what is it usually applied to?

2. What effect might taxes have on productivity and economic growth?

3. Why does the federal budget’s proposal offer only a rough estimate of the actual revenues and expenditures?

4. What is a fiscal year?

5. What is the difference between a federal budget deficit and a federal budget surplus?

6. What is the difference between mandatory spending and discretionary spending in the federal budget?

7. Why is the sales tax considered to be a regressive tax?

8. What are the components of FICA?

9. What is corporate income tax?

10. If you were an elected official who wanted to increase tax revenues, which of the following taxes would you prefer to use: individual income, sales, property, or corporate income. Provide reasons for your answers.