


 **BUILDING BLOCKS STUDENT WORKSHEET**

# Becoming familiar with taxes

Taxes help governments pay for many things a society needs. The more you understand taxes and why they're important, the better prepared you are to become a financially confident and independent adult.

## Instructions

1. Familiarize yourself with the types of taxes in the answer bank below.
2. Review the scenarios and determine which type of tax is used. Fill in the blanks using a tax term from the answer bank.
3. Write a brief reflection.

 Helpful tax resources:

Find answers to questions about federal, state, and local taxes at <https://www.usa.gov/taxes>

Learn about the economics of taxation at <https://www.treasury.gov/resource-center/faqs/Taxes/Pages/economics.aspx>

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## Answer bank (Each term will only be used once.)

- Income tax     Property tax     Sales tax     Estate tax     Tariff
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## Scenarios

Using the answer bank above, fill in the type of tax being referred to.

1. I work for a U.S.-based company. The company has decided to start importing materials to make its products. They'll have to pay a special tax. What type of tax is this?

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2. I bought 20 acres of land last year, and now I pay more taxes than my sister, who doesn't own any land. What type of tax do I pay?

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3. In my paycheck, I noticed that the money I make is being taxed. What type of tax is this?

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4. My grandfather passed away and left behind \$15 million in assets. What kind of tax will need to be paid on those assets?

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5. I bought clothes at the mall this weekend, and I had to pay more than what the price tag actually said. What type of tax did the store add to my purchase?

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## Reflection

After reviewing several types of taxes, write a brief reflection describing which of these taxes you currently pay and which of these taxes you will most likely pay in the next 10 years. Be sure to support your answer and provide examples.