

Name _____

The Taxing Challenge: How the Articles of Confederation Impacted Revenue

Short Answer Key

1. The central government under the Articles of Confederation had limited powers, including the authority to levy taxes, because the Founding Fathers wanted to prevent the concentration of power and create a government that was intentionally weak.
2. The reliance on voluntary state contributions created financial instability for the central government, as states often fell short of providing the necessary funds. This instability also hindered the government's ability to operate effectively. Nationally, it contributed to economic difficulties and hindered economic growth.
3. The economic consequences of the central government's inability to raise revenue effectively included challenges in paying off war debt, maintaining a strong national defense, and hindering trade between states due to the lack of a unified currency system and reliable government revenue.
4. Dissatisfaction with the central government's financial challenges played a significant role in the push for a new constitution. Many recognized that the inability to raise revenue was a major obstacle to effective governance, leading to the adoption of the United States Constitution, which granted the federal government the authority to levy taxes.
5. With the adoption of the United States Constitution, a significant change in government authority occurred regarding taxation. The Constitution granted the federal government the authority to levy taxes, addressing one of the major weaknesses of the Articles of Confederation.

