

Name _____

Decoding Income Taxes: How Your Income is Taxed and Understanding Tax Brackets

Multiple Choice Answer Key

1. b) To reduce your taxable income
2. b) A system where tax rates increase as income increases
3. b) Only the income within each bracket is taxed at that specific rate
4. b) The average rate at which your total income is taxed
5. c) It helps you claim deductions and tax credits

