

Name \_\_\_\_\_

## Cracking the Code: Understanding Taxes in Texas

### Open-Ended Response Answer Key

1. Answers will vary, but students can discuss how Texas' tax structure impacts the affordability of living in the state, supports public services, and may affect businesses differently. They can consider the benefits of a low state income tax and potential challenges related to overreliance on sales tax and property tax.
2. Students can describe their priorities for allocating tax revenue, such as investing in education, infrastructure improvements, healthcare services, or economic development initiatives. They can explain how these investments would benefit their community.
3. Students can research a specific program or service funded by Texas' tax revenue, such as the Texas Education Agency's public school funding or the Texas Department of Transportation's road projects. They can discuss the importance and impact of this funding on the state's residents and economy.
4. Students can consider potential challenges like changing demographics, economic fluctuations, and the need for long-term infrastructure investments. They can propose strategies such as diversifying revenue sources or creating a reserve fund to address these challenges and ensure financial stability.

