

Name _____

Money Matters: What are Taxes and Why Do We Have to Pay Them?

Short Answer Key

1. Possible Answer: Public transportation systems
2. Possible Answer: Taxes require those who earn more to contribute a larger portion of their income, which helps distribute wealth more evenly.
3. Possible Answer: Excise taxes are designed to discourage the use of specific goods and generate revenue for the government.
4. Possible Answer: Corporate taxes provide a source of revenue for the government and help fund public programs and services.
5. Possible Answer: Taxes can be adjusted by the government to encourage or discourage certain economic activities, such as spending or saving, based on the country's economic goals.

