



STUDENT'S NAME: _____

LEVEL: _____

DATE: _____

WORKSHEET 3

Types of Taxes

Taxes are mandatory financial contributions imposed by governments to fund public services and infrastructure. There are various types of taxes, each targeting different areas of economic activity. One of the most common is the **Income Tax**, which is levied on the earnings of individuals and businesses. This tax usually varies based on the taxpayer's income level. **Sales Tax**, on the other hand, is applied to the sale of goods and services, typically as a percentage of the purchase price, making it visible on most consumer receipts.

Another important type is the **Property Tax**, which is based on the value of owned real estate, such as homes and land. This tax is used primarily by local governments to finance community services like schools and police departments. **Corporate Tax** targets the profits made by companies and is a significant source of revenue for governments, influencing business strategies and investments.

Capital Gains Tax is imposed on the profit from selling assets like stocks or property, while **Estate Tax** is levied on the value of a deceased person's estate before it is transferred to heirs. **Excise Taxes** are applied to specific goods such as alcohol, tobacco, and fuel, often to discourage consumption of these products or to cover environmental or health-related costs.

Lastly, **Payroll Taxes** are deducted directly from an employee's salary and are used to fund social programs like Social Security and Medicare. Each of these taxes serves a specific purpose in the economy, supporting public services, infrastructure, and societal needs. Understanding the various types of taxes helps individuals and businesses manage their financial responsibilities more effectively.

1. **Income Tax** - _____
 2. **Property Tax** - _____
 3. **Sales Tax** - _____
 4. **Corporate Tax** - _____
 5. **Capital Gains Tax** - _____
 6. **Excise Tax** - _____
 7. **Estate Tax** - _____
 8. **Payroll Tax** - _____
 9. **Value Added Tax (VAT)** - _____
 10. **Wealth Tax** - _____
 11. **Inheritance Tax** - _____
 12. **Gift Tax** - _____
- a) A tax on an individual's total wealth, including assets like property, cash, and investments.
 - b) A tax on goods and services purchased, typically added at the point of sale.
 - c) A tax on money or assets given by one person to another without receiving anything in return.
 - d) A tax on real estate properties, like houses or land, paid by the owner.
 - e) A tax on specific goods like alcohol, tobacco, or gasoline, often included in the product price.
 - f) A tax on the money individuals or businesses earn as income.
 - g) A tax on the money or property received from someone who has passed away.
 - h) A tax on the profit from selling assets like stocks or property.
 - i) A tax on the profits earned by businesses.
 - j) A tax on the value added at each stage of production or distribution of a product.
 - k) A tax on the value of a deceased person's estate before it is passed on to heirs.
 - l) A tax on wages paid by employers and employees, used to fund social security and Medicare.