



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.