1. Why is good fiscal policy important?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

2. List two ways that Congress uses its power to tax.
   a. ________________________________________________________________
   b. ________________________________________________________________

3. List four ways the Constitution limits the taxing power of Congress.
   a. ________________________________________________________________
   b. ________________________________________________________________
   c. ________________________________________________________________
   d. ________________________________________________________________

4. Explain why the income tax is a progressive tax.

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

5. How does the government tell how much income tax a person owes for the year?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

6. How do most people pay their income taxes?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
7. Complete the chart below to describe each of the taxes.

<table>
<thead>
<tr>
<th>Type of Tax</th>
<th>Description</th>
<th>Progressive or Regressive?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Individual income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Corporation income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Social insurance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Describe the types of taxes listed below.
   a. Excise tax: ___________________________________________________
   b. Estate tax: _________________________________________________
   c. Gift tax: _________________________________________________
   d. Customs duties: ___________________________________________

9. List three sources of nontax federal revenue.
   ______________________________________________________________
   ______________________________________________________________
   ______________________________________________________________

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