

Name _____ Date _____ Period _____

Chapter 9 Test Review

Can you define the following words?

Word	Definition
1. alternative minimum tax	
2. estate tax	
3. FICA	
4. incidence of tax	
5. individual income tax	
6. intergovernmental revenues	
7. Medicare	
8. payroll taxes	
9. payroll withholding system	
10. progressive tax	
11. proportional tax	
12. tax assessor	
13. tax return	

14. Name three reasons people may give for supporting a “flat tax.”
15. What is the difference between the benefit principle and the ability-to-pay principle of taxation?
16. Which Amendment to the Constitution gave the federal government the power to directly collect and keep individual income tax?
17. What government agency collects income taxes?
18. What is the relationship between demand and incidence of tax?
19. Name at least two results from the Taxpayer Relief Act of 1997.
20. Name at least two reforms from the 2001 tax laws.
21. How does the internet affect efficiency of sales taxes?
22. What are intergovernmental revenues mainly spent on?

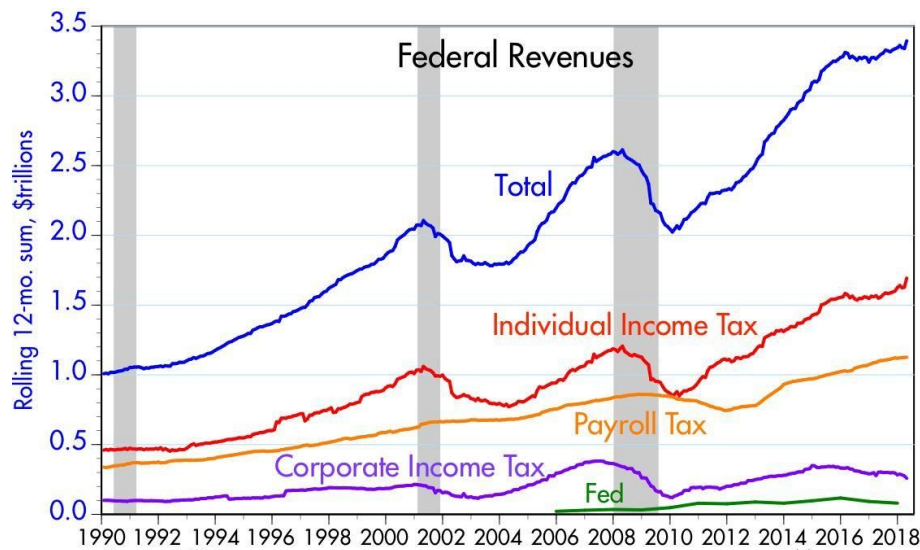
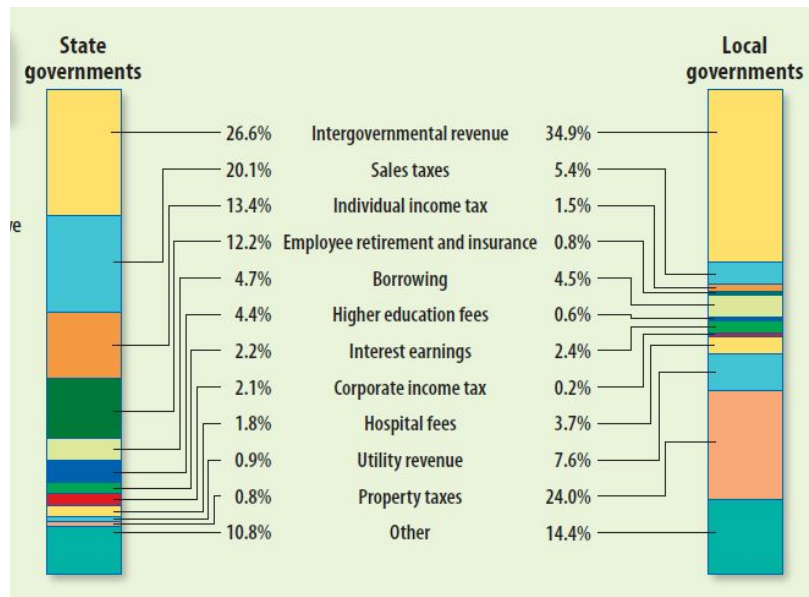
10%	\$0–\$9,525
12%	\$9,526–\$38,700
22%	\$38,701–\$82,500
24%	\$82,501–\$157,500
32%	\$157,501–\$200,000
35%	\$200,001–\$500,000
37%	\$500,001 or more

23. What types of tax does this chart represent?

And

24. What revenue source is most similar between state and local government?

25. Name a revenue source that is far larger for local government than for state



26. According to this graph, what two year period represented the biggest drop in tax revenues?

Paycheck Summary					
	Gross Earnings	Fed Taxable Gross	Total Taxes	Total Deductions	Net Pay
Current	3500.00	3257.44	721.93	277.56	2500.51
Earnings			Taxes		
Description	Hrs/Days/Units	Amount	Description	Amount	
Regular		3500.00	Federal Withholding	370.39	
			Medicare	50.53	
			Social Security	216.07	
			CA State Withholding	84.94	
Total		3500.00	Total	721.93	

27. How much was paid for FICA? _____

28. How much total was deducted? _____

29. What does the cartoon say about taxes?



By a considerable margin, my family's largest-ever financial expenditure was the adoption of our two sons.

This is not something discussed candidly after you become a parent by adoption because, of course, the joy one's children provide cannot be calculated in dollar amounts. It is true for my family and many others: Adoption has made us infinitely richer in the ways that matter most.

That said, that congressional Republicans have stated their intention to eliminate the adoption tax credit is a terrible blow to many of the adults in this country hoping to someday to adopt, as it is a blow to those institutions hoping to recruit more such adults.

The adoption tax credit is a very particular rule. In 2017, if you become a parent by adoption, and your household income is less than \$243,540, you can receive a credit for certain qualifying adoption expenses. Families made through private, international or foster-care adoptions are all eligible. The maximum credit is \$13,570; your adoption-related expenses may well be higher than that figure.

Source: "Care About Kids? You Should Want to Save This Tax Credit" *The New York Times*, Nov 7, 2017

30. How would eliminating the adoption tax credit adjust the behavior of Americans?
