

THE FEDERAL RESERVE BANK OF ATLANTA

Taxes

How do we pay for the goods and services that government provides?

MACROECONOMICS

Taxes (Macroeconomics) Infographic Activity (Updated 2023)

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Taxes (Macroeconomics) Infographic Activity

All levels of government must pay for the goods and services they provide, and tax money is used to pay those expenditures. However, the types of taxes and expenditures are different at the federal, state, and local level. Most states and local governments are required to have a balanced budget, but the federal government can have a deficit or surplus. Finally, tax systems can be classified as progressive, regressive, or proportional.

Refer to the infographic <https://bit.ly/taxes-infographic> to answer the following questions:

1. Define taxes.
2. What levels of government assess taxes?
3. What types of taxes are collected and what expenses are paid at the **federal** level?

Taxes	Expenses

4. What types of taxes are collected and what expenses are paid at the **state** level?

Taxes	Expenses

5. What types of taxes are collected and what expenses are paid at the **local** level?

Taxes	Expenses

6. How many states do not levy sales taxes? Name two.
7. How many states do not have income taxes? Name two.



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8. When government spending exceeds tax receipts, what is that called? How does this affect the national debt?

9. How does a surplus occur?

10. Define each of the three types of taxes.
 - a. Progressive tax:

 - b. Regressive tax:

 - c. Proportional (flat) tax: