

Chapter 9 Section 2

The Federal Tax System

Which **amendment** to the Constitution allows Congress to levy an income tax?

What percentage of the federal government's total revenue comes from the federal income tax?

What is the **payroll withholding system**?

Which agency receives the tax payment?

In a progressive income tax, what happens to the average tax rate when income goes up?

How does **indexing** protect a worker?

What does **FICA** stand for?

Who pays FICA taxes?

What is **Medicare**?

Which two taxes are payroll taxes?

What percent of income was tax for social security?

What does your book mean when they say the Social Security tax is **capped**?

Why does your book say capping income which is taxed for social security is **regressive**?

What is the flat rate for the **Medicare** tax?

What do corporations pay taxes on?

What is an **excise tax**?

What is an example of an excise tax?

Why are excise taxes considered to be regressive?

What is a **luxury tax**?

What is an example of a luxury tax?

What is an **estate tax**?

What does the government have gift tax?

What is a customs duty or tariff?

What is a **user fee**?

What is an example of a user fee?