

# TAX KNOWLEDGE QUESTIONS

## Short Answer Questions

1. What tax is automatically deducted from your paycheck to fund Social Security and Medicare?
2. Which tax do homeowners pay annually based on the value of their property?
3. What type of tax do you pay when you sell stocks for more than you bought them?
4. Name the tax that businesses pay on their profits.
5. What tax is added to the price when you buy groceries or clothes?
6. Which tax do you pay to your state government based on your yearly earnings?
7. What is the tax called when goods are imported from other countries?
8. What tax might you owe when a wealthy relative passes away and leaves you money?
9. Which tax do you pay annually to legally drive your car?
10. What tax is included in your bill when you stay at a hotel?

## Short Answer Key

- |                                |                                    |
|--------------------------------|------------------------------------|
| 1. <i>Federal payroll tax</i>  | 6. <i>State income tax</i>         |
| 2. <i>Property tax</i>         | 7. <i>Customs/tariff tax</i>       |
| 3. <i>Capital gains tax</i>    | 8. <i>Estate/inheritance tax</i>   |
| 4. <i>Corporate income tax</i> | 9. <i>Vehicle registration tax</i> |
| 5. <i>Sales tax</i>            | 10. <i>Hotel/lodging tax</i>       |

## True or False Questions

11. **T/F:** Sales tax rates are the same in every state.
12. **T/F:** You only pay capital gains tax if you make money on an investment.
13. **T/F:** Property tax is used to fund local schools and fire departments.
14. **T/F:** Federal payroll tax is the same as federal income tax.
15. **T/F:** Estate tax applies to everyone who inherits money.
16. **T/F:** Tariffs make imported goods more expensive for consumers.
17. **T/F:** Vehicle registration fees are the same as vehicle sales tax.
18. **T/F:** Hotel taxes help fund local tourism and city services.
19. **T/F:** Corporate income tax is paid by the business owners personally.
20. **T/F:** State income tax rates are identical in all 50 states.

## True or False Key:

11. False. 12. True. 13. True. 14. False. 15. False.  
16. True. 17. False. 18. True. 19. False. 20. False.

Edited from Claude. (2025, June 24). Tax knowledge game show questions [AI-generated content]. Anthropic. <https://claude.ai>