

**Where Does Your $1 Go?**

This chart represents the distribution of the average individual’s taxes among the federal government (income taxes + FICA), state, and local governments.

{FICA stands for Federal Insurance Contributions Act. Collections under FICA fund Social Security payments and Medicare}

The figures in the graph are simplified. For example, some federal tax revenue is sent back to state and local governments for things like road construction, education, and grants to address poverty. Excise taxes are not included because they amount to less than 3% of the federal government tax collections.

1. If you could decide how much of your $1 in taxes was going to be allocated, would it follow the chart above? Would you send more or less to each category (federal, state, local)? Why?

2. Why do you think the federal government gets the largest percentage of taxes?