

# Teacher Lesson Plan

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Theme 2: Taxes in U.S. History  
Lesson 1: Evolution of Taxation in the Constitution

## Time Frame

One to four hours

## Curriculum Area(s)

- Civics/Government
- History/Social Studies
- Economics
- Technology

## Purpose

To give students an overview of the role and purpose of taxes in American history

## Objectives

Students will be able to

- identify the goals of creating taxes.
- identify different types of taxes implemented by the U.S. government.
- explain the origins of the federal income tax.

## Materials

### *Online*

[PowerPoint™ Presentation—Theme 2 Overview: Taxes in U.S. History](#)

[Student Lesson—Evolution of Taxation in the U.S. Constitution](#)

[Activity 1: Taxation and the U.S. Constitution](#)

[Activity 2: Historical Views of Taxation](#)

[Activity 3: Tax Your Memory](#)

[Assessment—Evolution of Taxation in the Constitution](#)

[Assessment Solutions—Evolution of Taxation in the Constitution](#)

### *Print (PDF)*

[Teacher Lesson Plan](#)

[Info Sheet 1—Evolution of Taxation](#)

[Info Sheet 2—Excerpts from Federalist Paper No. 30 by Alexander Hamilton](#)

Info Sheet 3—Excerpts from Anti-Federalist Letter by Richard Henry Lee

Worksheet—The Goals Behind Taxes

Worksheet Solutions—The Goals Behind Taxes

Assessment—Evolution of Taxation in the Constitution

Assessment Solutions—Evolution of Taxation in the Constitution

Complete Lesson Pack

### **Web Links**

The Articles of Confederation [http://avalon.law.yale.edu/18th\\_century/artconf.asp](http://avalon.law.yale.edu/18th_century/artconf.asp)

U.S. Constitution <http://www.archives.gov/exhibits/charters/charters.html>

### **Background**

American lawmakers have always worked to balance three goals in the process of creating taxes—to build **revenue**, to influence people’s spending habits, and to be fair to all taxpayers. Below is an overview of the evolution of taxes in the U.S. Constitution.

#### **1781–1789**

The writers of the Articles of Confederation did not support a strong federal government. Only state governments had the power to tax, and they had to turn over tax revenues to the federal government. The Constitution gave the federal government new, stronger powers to tax citizens directly. Taxes were in the form of **tariffs** and **excise taxes**, providing the federal government with ample revenue for many years. These types of taxes can be considered **regressive**, because people with lower incomes had to pay a higher percentage of their income than did people with higher incomes.

#### **1862–1872**

During the Civil War, the federal government required more revenue than tariffs and excise taxes could provide. A tax on income was established during the Civil War and was abolished after the war.

#### **1913–Present**

Because of industrialization and modernization, many people gained huge fortunes that were not taxed in any way. A tax on income was intended to make the system of taxation more equal. The ratification of the Sixteenth Amendment in 1913 gave Congress the right to collect income taxes. Now, people with higher incomes paid more in taxes than those with lower incomes. This form of taxation is known as a **progressive tax**.

### **Key Terms**

**excise tax**—A tax on the sale or use of specific products or transactions.

**progressive tax**—A tax that takes a larger percentage of income from high-income groups than from low-income groups.

**regressive tax**—A tax that takes a larger percentage of income from low-income groups than from high-income groups.

**revenue**—The income the nation collects from taxes.

**tariff**—A tax on products imported from foreign countries.

## Opening the Lesson

Ask students what they know about the role of taxes in American history. Show students the PowerPoint™ Presentation—Theme 2 Overview: Taxes in U.S. History. Review the key terms with students.

## Developing the Lesson

Distribute Info Sheet 1—Evolution of Taxation to students. Explain that the current system of taxation in the U.S. has developed over the course of more than two hundred years. Lawmakers continually change and fine-tune the system. Ask students to identify the kinds of taxes the government implemented in each time period. **tariffs, excise taxes, income tax** Ask students to think of arguments for and against taxation. **Answers will vary.**

### Online Activities

Direct students to Student Lesson—Evolution of Taxation in the U.S. Constitution.

Have students complete one or more of the following activities.

Activity 1: Taxation and the U.S. Constitution—Compare the powers of taxation granted by the Articles of Confederation and the Constitution.

Activity 2: Historical Views of Taxation—Discover how the colonists and Civil War Americans viewed taxes.

Activity 3: Tax Your Memory—Is your memory taxed? Play this game of concentration to find out.

### Print Activity

Print Worksheet—The Goals Behind Taxes and distribute it to students.

Worksheet Solutions—The Goals Behind Taxes

### Classroom Activity

Print and distribute Info Sheet 2—Excerpts from Federalist Paper No. 30 by Alexander Hamilton and Info Sheet 3—Excerpts from Anti-Federalist Letter by Richard Henry Lee.

Have students read and compare the reasons for and against granting the federal government the power to tax as argued by Federalist Alexander Hamilton and Anti-Federalist Richard

Lee. Challenge students to identify each writer's main points. Invite students to act out a mock debate between Hamilton and Lee.

**Students should identify the following points: Hamilton believed that giving the federal government the power to raise and collect taxes would provide revenue to the nation and promote stability, efficiency, and trust within the nation and among nations in the international community. Lee objected to the federal power to tax because he believed that federal laws would cancel state laws. He also thought that the national government lacked the means to collect taxes efficiently and that corruption was a possibility.**

### **Concluding the Lesson**

Have students discuss the advantages and disadvantages of the federal government's power to raise and collect taxes. Ask students to use [Info Sheet 1—Evolution of Taxation](#) to give a brief chronology of taxes in the United States and to identify the three goals lawmakers must meet when creating taxes. **build revenue, influence spending habits, be fair to all taxpayers**

### ***Online Assessment***

Direct students to complete [Assessment—Evolution of Taxation in the Constitution](#) for this lesson.

[Assessment Solutions—Evolution of Taxation in the Constitution](#)

### ***Print Assessment***

Print [Assessment—Evolution of Taxation in the Constitution](#), and have students complete it on paper.

[Assessment Solutions—Evolution of Taxation in the Constitution](#)

### ***Links***

Go to [Theme 6, Lesson 1](#) for more information on the history of taxes.

Go to [Theme 3, Lesson 2](#) for more information on regressive taxes.

Go to [Theme 3, Lesson 3](#) for more information on progressive taxes.