Episodes 86- On Sin Taxes

This document provides resources for educators looking for ways to incorporate current events into their curriculum. Each podcast episode is approximately 20 minutes long and available on all major podcast outlets for free. This document provides opportunities for either short-answer/essay-style questions or discussion questions to delve further into topics. Email taxnerds@gmail.com for an answer key.

In this episode, we discuss the role of sin taxes in discouraging legal but potentially harmful behavior and in raising tax revenue.

Concepts covered

- Sin taxes
- Excise taxes

Multiple choice & True False Questions

1. Which of the following is **false** about sin taxes?
    a. Sin taxes are generally excise taxes.
    b. Sin taxes can be levied on goods, services, or activities.
    c. Sin taxes are intended to curb illegal behavior.
    d. Sin taxes are indirect taxes.

2. True or false: Like income taxes, excise taxes are direct taxes. The burden of an excise tax cannot be passed on to another party.
    a. True
    b. False

3. Which of the following is **not** a type of sin tax discussed on the podcast?
    a. A Norwegian tax on candy and soda.
    b. Cigarette excise taxes in the U.S.
    c. A sweetened beverage tax in Philadelphia.
    d. Carbon taxes in the E.U.

4. According to the podcast, which of the following is/are true about cigarette excise taxes? Select all that apply.
    a. They are effective in getting long-term smokers to quit.
    b. They were temporarily declared illegal in the 1950s.
    c. They have a more significant positive effect on children than on adults.
    d. A price increase of 10% per pack reduces adult demand by about 4%.

5. Which of the following is/are negative features of sin taxes?
    a. They can encourage criminal behavior (via an illegal market).
    b. They can be easy to avoid.
    c. They are regressive.
    d. All of the above are true.

Discussion questions and activities:

Identify a sin tax in your state. Explain the elements of the tax – what behavior is it trying to address? How much tax revenue has it raised? How might an individual avoid the tax? (i.e., is there a related, untaxed behavior they could substitute?)

Brainstorm a socially damaging activity that you would like to see taxed. How might the tax be designed and enforced? Think about how you could design the tax effectively to minimize opportunities for avoidance.