

**The Executive Branch at Work**      **Guided Reading Activity**

*Chapter 7 - pages 206 - 213*

**Section 3**

**READING THE SECTION**

Read each sentence and fill in the blank with the correct word or phrase.

1. The Sixteenth Amendment gave Congress the power to levy a(n) \_\_\_\_\_, which brings in the largest share of the federal government's revenue today. **(income tax/payroll tax)**
2. The income tax is a \_\_\_\_\_, or a tax whose rates increase as the amount subject to taxation increases. **(progressive tax/regressive tax)**
3. The payroll tax is a \_\_\_\_\_, or a tax that has a greater impact on lower-income earners than on upper-income earners. **(progressive tax/regressive tax)**
4. When the federal government borrows money, it does so by selling \_\_\_\_\_, or financial instruments by which a borrower agrees to pay back borrowed money plus interest at a future date. **(federal debts/bonds)**
5. \_\_\_\_\_ is subject to the budget that Congress creates each year. **(Mandatory spending/Discretionary spending)**
6. By creating the federal budget and tax laws, Congress and the president are making a \_\_\_\_\_ for the United States. **(fiscal policy/monetary policy)**

**POST-READING QUICK CHECK**

Answer the questions on the lines provided.

7. What is the president's role in creating the federal budget? Who helps him or her and how?

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\_\_\_\_\_

8. Explain the three ways in which the Fed can affect the money supply.

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