

Taxes



Vocabulary

To fulfil - to achieve or realize (something desired, promised, or predicted).

To levy/to impose - to require (a duty, charge, tax or penalty) to be undertaken or paid.

Tax burden - the amount of tax paid by a person, company, or country in a specified period considered as a proportion of total income in that period.

Tax incidence - the distribution of the overall tax burden between sellers and buyers in an economy.

Wherein (formal) - in which.

Introduction

The government formulates taxation policy with an aim of performing a variety of functions and **fulfilling** the financial needs of the country by using the money received in the form of tax on development projects.



By nature, taxes are classified as a *progressive tax*, *proportional tax* and *regressive tax*.