

Name:

Date:

# Sin Taxes

Sin taxes are charges applied to the purchase of items like tobacco, alcohol, and gambling services, often referred to as “sinful” due to the social and personal harm they may cause. These taxes aim to serve a dual purpose: they discourage the use of these products while raising government revenue. Critics argue that sin taxes are regressive, as they place a heavier burden on low-income individuals.

Unlike sales taxes, sin taxes are already included in the prices of products like cigarettes and alcohol, with sales tax added at checkout. Since sin taxes are not always clearly indicated, many Americans don’t realize they are paying them.

The origins of sin taxes date back over 200 years, first implemented in the late 1700s to help repay debts from the American Revolution. The tax on cigarettes became permanent in 1864, starting at 0.8 cents per pack, and by 2022, the federal rate had risen to \$1.0066. Individual states also set their own rates, with wide variation; for instance, Missouri’s cigarette tax is currently \$0.17 per pack, while New York’s is \$4.35 per pack. Alcoholic beverages face similar state-imposed taxes.

1. How has the average size of American homes changed from 1949 to 2021?

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2. Why is homeownership increasingly unaffordable for many Americans?

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3. What is the Tiny House Movement, and when did it begin?

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4. What are the typical size and features of a tiny house?

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5. How does the cost of a tiny house compare to that of a traditional single-family home?

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