



# Cheatsheet: Learn When and Why You Pay Which Taxes

Understanding the taxes you owe on what you earn, buy and own.

## Income

Earn

Individuals and corporations pay federal & state income tax.

## Payroll

Earn

Taxes for social security and medicare are also deducted from your paycheck..

## Sales

Buy

States charge taxes on sales of goods and services, but not every state charges the same.

## Excise

Buy

You pay the "sin" tax on items like gasoline, soda, alcohol & cigarettes.

## Wealth

Own

If someone's net worth is above a certain USD value, they owe a wealth tax.

## Capital Gains

Earn

When your personal assets increase in value, you owe taxes on that profit.

## Value Added

Buy

Outside the US, taxes occur with added value in production. Careful with global purchases.

## Estate, Gift & Inheritance

Own

When assets are distributed as a gift or after death, taxes are due.

## Gross Receipt

Buy

Gross sales of companies are taxed, falling back on consumer.

## Property

Own

States also tax tangible and residential property, like homes & vehicles.