

# Postsecondary Education OPPORTUNITY

*The Pell Institute for the Study of Opportunity in Higher Education*

Number 289

<http://community.coenet.us/home>

2017-3

## Taxes By Tom Mortenson

Taxes are defined as “a compulsory contribution to state revenue, levied by the government on workers' income and business profits or added to the cost of some goods, services, and transactions.” State revenue includes taxes and is defined to be “the income of a government from tax-

tion, excise duties, customs, or other sources, appropriated to the payment of the public expenses.”

Taxes are used to fund public programs established through policy-making and legal processes of the federal and state governments. According to the National

Income and Product Accounts of the United States ([https://www.bea.gov/iTable/index\\_nipa.cfm](https://www.bea.gov/iTable/index_nipa.cfm)), the major categories of federal government expenditures in 2015 were:

- **13.5%** on general public service (interest payments, executive, legislative, other)

**Distribution of Expenditures at the Federal and State Levels: 2015**

