The Cup Cost

How a tax and a law shape everyday choices

GE.2.6 "Explain and evaluate how and why government control influences businesses and individuals through laws and taxes."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the reasons for the cup tax and the menu law, circle their effects on customers and cafes, and number one benefit and one cost of the policy. Use your marks to explain how government decisions shape choices.

A Price on Disposable Cups

1. In the fictional city of Harbor Point, trash from disposable drink cups fills public bins near bus stops. The city adopts a 25-cent tax on each disposable cup sold with a drink. Cafes collect the tax from customers and send the money to the city, which uses it to maintain public water fountains. Leaders hope the higher cost will lead more people to bring reusable cups and reduce waste. A customer buying coffee in a disposable cup now pays more, while a customer who brings a reusable cup avoids the tax. The tax targets a choice rather than banning it.

2. The city also passes a law requiring cafes to display the cup tax and the total price of a drink sold in a disposable cup on their menus. Officials want customers to see the full cost before ordering, not discover it at the register. Cafes must update menus, train cashiers, and track how many taxable cups they sell. A small cafe may find these tasks harder to manage than a chain with a large accounting staff. Still, clear prices let customers compare options, and accurate records help the city check that it receives the tax money.

3. The policy has possible gains and costs. If many customers switch to reusable cups, the city may have less cup trash to collect, and those customers save money over time. Yet someone who buys coffee on the way to work may not have a reusable cup handy and will pay more. The extra charge can matter more to a customer with a tight budget. The city could compare cup sales before and after the tax to judge whether waste is likely to fall. It should also check whether menu updates and tax records place an unfair burden on small cafes.

2 ANSWER WITH EVIDENCE

Use the passage

1. How is the cup tax meant to change a customer's choice, and what does the city do with the money?

2. Why does the city require cafes to show the tax and total price on menus? Explain one effect of this law on cafes.

3. Why might the menu law and tax records be harder for a small cafe to manage than for a chain? What benefit could make that work worthwhile?

4. Would fewer taxable cup sales alone show that the policy is fair to customers? Use one benefit and one cost from the passage to explain.

3 YOUR TURN

Your own words

Choose a community problem other than disposable cups and propose one law and one tax to address it. In 5 to 6 sentences, explain why each might work, describe an effect on a business and an individual, and evaluate a tradeoff.

The Cup Cost

PART 1 · READ AND MARK

Underline the reasons for the cup tax and the menu law, circle their effects on customers and cafes, and number one benefit and one cost of the policy. Use your marks to explain how government decisions shape choices. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How is the cup tax meant to change a customer's choice, and what does the city do with the money?	**The extra 25 cents may lead customers to bring reusable cups. The city uses the tax money to maintain public water fountains.**
2	Why does the city require cafes to show the tax and total price on menus? Explain one effect of this law on cafes.	**Customers can see the full cost before ordering. Cafes must update their menus.**
3	Why might the menu law and tax records be harder for a small cafe to manage than for a chain? What benefit could make that work worthwhile?	**A small cafe may lack the accounting staff a chain has. Clear prices help customers compare options, and accurate records help the city check tax payments.**
4	Would fewer taxable cup sales alone show that the policy is fair to customers? Use one benefit and one cost from the passage to explain.	**No. Customers who switch to reusable cups may save money, but customers who cannot easily bring one pay more, which can be especially difficult on a tight budget.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

To reduce air pollution near schools, a city could ban vehicles from idling there for more than three minutes. This law could reduce exhaust when families arrive and leave. The city could also tax gasoline to fund more frequent buses, giving drivers another travel option. A delivery company might pay more for fuel and need to train drivers to shut off engines near schools. A parent who drives could face higher costs but gain cleaner air for their child. The city should weigh these costs against the possible health benefits and check whether buses become easier to use.

Accept other passage-supported benefits and costs in the short answers. For Part 3, look for a clear reason for both the law and the tax, effects on a business and an individual, and a tradeoff.