Tax and Tradeoffs

Use sales data to evaluate a city policy.

E.P.2 "Use interdisciplinary tools to acquire, apply, and evaluate content understanding of the four strands of social studies. Demonstrate an understanding of the principles of government, the benefits of democratic systems..."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the city's goal, circle two sales figures that show a change after the tax began, and number two other possible explanations for the sales trends. Use your marks to separate what the data shows from what it cannot prove.

What Changed in Bayport?

1. In the fictional city of Bayport, leaders worried that sugary drinks were cheaper than bottled water. In January 2024, the city added a tax of 20 cents per sugary drink. Officials hoped higher prices would reduce sugary drink purchases and raise money for public drinking fountains. Store owners collected the tax and sent it to the city.

2. The table tracks Bayport supermarket sales in thousands of bottles per year. Sugary drink sales fell in the first year of the tax and continued falling the next year. Water sales rose during both years. These patterns fit the city's goal, but the table alone cannot show what caused every change.

BAYPORT SUPERMARKET SALES

Year	Sugary drinks, thousands of bottles	Water, thousands of bottles
2022	1,000	500
2023	980	520
2024	760	650
2025	700	690

3. Other forces could affect the numbers. In 2024, supermarkets gave water more shelf space, which may have encouraged water purchases. Some shoppers may have bought sugary drinks outside Bayport to avoid the tax, leaving those sales out of the table. To judge the policy fairly, officials would also need price records and sales figures from nearby towns.

2 ANSWER WITH EVIDENCE

Use the passage

1. Compare sugary drink sales in 2023 and 2024. How does this change relate to one of the city's goals?

2. Water sales rose between 2023 and 2024. Why can't officials conclude from that change alone that the tax caused the rise?

3. Why might Bayport supermarket sales understate how many sugary drinks Bayport shoppers bought in 2025?

4. Which additional evidence named in the passage would help officials check whether shoppers avoided the tax? Explain how.

3 YOUR TURN

Your own words

Write a short recommendation to Bayport's leaders: should they keep, remove, or revise the tax next year? Use one comparison from the table, discuss a possible unintended effect, and predict a market outcome if leaders follow your recommendation.

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PART 1 · READ AND MARK

Underline the city's goal, circle two sales figures that show a change after the tax began, and number two other possible explanations for the sales trends. Use your marks to separate what the data shows from what it cannot prove. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Compare sugary drink sales in 2023 and 2024. How does this change relate to one of the city's goals?	**Sales fell from 980,000 to 760,000 bottles, a decrease of 220,000. The change is consistent with the goal of reducing sugary drink purchases.**
2	Water sales rose between 2023 and 2024. Why can't officials conclude from that change alone that the tax caused the rise?	**Supermarkets also gave water more shelf space in 2024, which may have encouraged purchases.**
3	Why might Bayport supermarket sales understate how many sugary drinks Bayport shoppers bought in 2025?	**Some Bayport shoppers may have bought sugary drinks outside the city, and those purchases are not in the table.**
4	Which additional evidence named in the passage would help officials check whether shoppers avoided the tax? Explain how.	**Sales figures from nearby towns could show whether sugary drink sales there rose as Bayport sales fell.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Bayport should keep the tax for one more year while checking sales outside the city. Sugary drink sales at its supermarkets fell from 980,000 bottles in 2023 to 760,000 in 2024, which supports the goal but does not prove the tax caused the drop. Some shoppers may avoid the tax by buying drinks nearby, reducing sales for Bayport stores. If the tax stays, I predict local sugary drink sales will remain below their 2023 level, though regional sales may not fall as much.

Accept any recommendation supported by an accurate table comparison, a plausible unintended effect, and a prediction tied to the proposed choice. Students should not claim that the sales data proves the tax caused the changes.