

Learning Objectives

Students will be able to

- Explain where income taxes are collected from and how they provide revenue for public expenses
- Identify how different types of commerce are taxed on a daily basis
- Describe how the progressive tax code and different taxes between states lead to individuals paying varying amounts of taxes

Approximate Time

- Lesson length: 127 mins
- Comprehension questions: 10 mins

Jump\$tart Standards

Financial Decision Making

- 4b: Analyze how sales and property taxes affect financial decisions, such as when buying a car or a house

Employment and Income

- 1a: Analyze how economic and other conditions affect income and career opportunities and the need for lifelong training and education

Distribute to Students

- [Student Activity Packet 10.1](#)

Plan Your Unit

- [Unit Plan for Taxes](#)
- [Taxes on www.ngpf.org](#)



LESSON PLAN

	Resources	Questions	Est. Time
1	DISCUSSION PROMPTS	<p>Discussion Prompts</p> <p>Discuss these questions with your classmates or with a partner:</p> <p>In 2014, the U.S. government spent \$3.5 Trillion. But on what?</p> <p>Below are five of the things the U.S. spent money on. Estimate the percentage they spent on each.</p>	5 mins
2	<p>VIDEO (3:16)</p> <ul style="list-style-type: none"> • If Paychecks Could Talk • Publisher: National Priorities Project 	<p>If Paychecks Could Talk</p> <p>Everyone pays taxes, and many people complain about them. But why?</p> <p>Watch this video to learn where tax revenue comes from and what exactly the government is spending that money on. Then answer the following questions.</p> <ol style="list-style-type: none"> 1. Why does the government need taxes? 2. What is one example of “mandatory” spending? An example of “discretionary” spending? 3. What is one benefit that you or someone you know receives as a result of government spending? 	7 mins
3	<p>REFERENCE</p> <ul style="list-style-type: none"> • Tax Revenue and Spending - The Basics • Publisher: NGPF 	<p>Federal Tax Revenue and Spending - The Basics</p> <p>The U.S. government collects trillions of dollars in taxes every year. But where does that money come from? And where does it go?</p>	8 mins

		<p>Review the slides and answer the following questions:</p> <ol style="list-style-type: none"> 1. Who are the two main groups that are paying taxes? 2. Compare the actual spending figures to your estimates in the Discussion Prompts. How similar were your estimates to the actual figures? 3. Are there any areas of spending that surprise you? That you disagree with? Explain your answer. 	
4	<p>ARTICLE</p> <ul style="list-style-type: none"> • 8 "Hidden" Taxes You're Paying Every Day • Publisher: AOL Daily Finance 	<p>8 "Hidden" Taxes You're Paying Every Day</p> <p>While individuals must file income taxes once a year, we pay taxes every day... often without even knowing it. Read this article about everyday purchases and the associated taxes.</p> <p>Answer the following questions.</p> <ol style="list-style-type: none"> 1. Which taxes listed do you pay? 2. Did any of the hidden taxes surprise you? Why or why not? 3. Do you think it's fair to tax specific items or activities (like gas, or travel)? Why or why not? 	10 mins
5	<p>REFERENCE</p> <ul style="list-style-type: none"> • 2018's Best & Worst States to be a Taxpayer • Publisher: WalletHub 	<p>2018's Best & Worst States to be a Taxpayer</p> <p>While everyone must pay taxes, your taxes depend highly on the state you live in. View the data on how taxes differ between states.</p> <p>Answer the following questions:</p> <ol style="list-style-type: none"> 1. What does the average taxpayer pay in your state? Where does that rank nationally? 2. California has the 8th lowest tax burden, but when you adjust for Cost of Living it falls to 36th. What does that tell you about the role Cost of Living has on your tax burden? 3. Look at the section titled "Detailed Findings". Different states collect their money in different ways. Compare Washington, Hawaii and New Jersey in the chart and explain how each gets their tax revenue in different ways. 	10 mins
6	<p>ARTICLE</p> <ul style="list-style-type: none"> • Federal Individual Income Tax Rates • Publisher: eFile 	<p>Federal Individual Income Tax Rates</p> <p>Similar to which state you live in, individuals pay different taxes depending on how much they earn.</p> <p>Read the article and answer the following questions.</p> <ol style="list-style-type: none"> 1. What does it mean that the U.S. has a "progressive" tax system? 2. If your income is \$46,000 and you are single, what is your marginal tax rate? 3. Why do you think you get a different tax rate if you are single versus married? 4. BONUS: What is your "effective" tax rate if your income is \$46,000 and you're single? 	10 mins
7	<p>ACTIVITY</p> <ul style="list-style-type: none"> • CALCULATE: How Much Do I Pay in Taxes? • Publisher: NGPF 	<p>CALCULATE: How Much Do I Pay in Taxes?</p> <p>Everyone must pay taxes, but how much really depends on a number of factors. Follow the directions in this activity to explore how your choice of profession and where you live can impact your taxes.</p>	45 mins
8	<p>ACTIVITY</p> <ul style="list-style-type: none"> • RESEARCH: The Tax Cycle • Publisher: NGPF 	<p>RESEARCH: The Tax Cycle</p> <p>Taxes can seem overwhelming, but in reality, there are only a few times per year you really need to focus on them. Follow the directions in this activity to find the dates of important events in the yearly tax schedule.</p>	15 mins
9	<p>INTERACTIVE</p> <ul style="list-style-type: none"> • Quizlet Cashcabulary Taxes 	<p>Quizlet Cashcabulary Taxes</p> <p>Here is a glossary of key terms that you will need to know when</p>	12 mins

	Taxes <ul style="list-style-type: none"> Source: Quizlet / NGPF 	considering taxes. Study the list, then play the Scatter Game four times and track your fastest time. Getting familiar with these terms will come in handy for later lessons. Good luck!	
10	EXIT TICKET <ul style="list-style-type: none"> Teacher Tip: To administer this Exit Ticket using Google Forms, make your own copy here. 	Exit Ticket <ol style="list-style-type: none"> Which day is considered an important deadline in the tax calendar and why? What are two factors that might affect how much tax you end up paying? What does the government spend tax money on? List as many items as you can. 	5 mins



COMPREHENSION QUESTIONS 10.1

Teachers, you can access the Comprehension Questions by logging into your Teacher Account on the NGPF [Assessments page](#). If you haven't already created an account, register for free [here](#)!



EXTEND THE LEARNING

DO MORE...

INTERACTIVE

- [Your Federal Income Tax Receipt](#)
- Publisher: National Priorities Project

INTERACTIVE

- [A Global Look at Personal Income Taxes](#)
- Publisher: TurboTax

VIDEO (4:50)

- [Taxation Nation](#)
- Publisher: WeTheEconomy

LEARN MORE...

FAST FACTS...

- The average American pays an income tax rate of 10.1 percent, although that varies quite a bit depending on income (Bloomberg)
- The IRS receives over 140 million individual tax returns and collects over \$950 billion in taxes (Forbes)
- Want to be in the top 1% of earners nationally? You'll need \$369,509 of annual income to join that group. If you aim to be in the top 10% of income earners, you'll only need \$116,555. That means 90% of taxpayers make less (Forbes)
- Our tax code is wordy, about 4 million words. It's always changing, too. Since 2001 alone, there have been more than 4,500 changes (Forbes)