

Learning Objectives

Students will be able to

- Identify what they need to file their tax returns
- Distinguish tax credits from tax deductions and understand how they can lower their overall tax burdens
- Complete a 1040 form to file their tax returns
- Explain how to pay back any taxes they owe or how to maximize a tax refund
- Identify fees and penalties they will incur if they fail to file a tax return or pay back taxes owed

Approximate Time

- Lesson Length: 120 mins

Jump\$tart Standards

Earning Income

- 6a: Calculate the amount of taxes a person is likely to pay when given information or data about the person's sources of income and amount of spending
- 6b: Identify which level(s) of government typically receive(s) the tax revenue for income taxes, payroll taxes, property taxes, and sales taxes
- 9b: Explain the difference between a tax credit and a tax deduction

Distribute to Students

- [Student Activity Packet FY-10.4](#)

Plan Your Unit

- [Unit Plan for Taxes](#)
- [Taxes on www.ngpf.org](#)
- [Customizable Parent Newsletter: Taxes](#)



This lesson will not be updated for the 2023 tax season due to the impending release of our newly revamped Full Year Course this Spring. If you would like to use the most up to date tax figures and information, please use the [Semester Course Taxes Unit](#).

LESSON PLAN

	Resources	Questions	Est. Time
1	DISCUSSION PROMPTS	Discussion Prompts Discuss these questions with your classmates or with a partner: <ol style="list-style-type: none"> Have you ever had to file a tax return before? <ol style="list-style-type: none"> If yes, what was the experience like for you? If no, what would you be most worried about if you were filing for the first time? 	5 mins
2	VIDEO (1:42) <ul style="list-style-type: none"> Teens Help With Taxes Publisher: Kens 5: Your San Antonio News Source 	Teens Helps With Taxes You found out that you have to file a tax return, and maybe you're feeling a little nervous. Watch this video to see how some teens are becoming tax experts in their communities and proving that filing a tax return doesn't have to be an intimidating process! Then, answer the question. <ol style="list-style-type: none"> After watching this video, how do you feel about having to file your own tax return? Explain. 	5 mins

3	<p>REFERENCE</p> <ul style="list-style-type: none"> • Tax Preparation Checklist for Teens • Publisher: NGPF 	<p>Reference: Tax Preparation Checklist for Teens</p> <p>You're ready to file your tax return...but, what exactly do you need before you file? Review this handy checklist of items you will need to fill out the 1040 form. Then, answer the questions.</p> <ol style="list-style-type: none"> 1. Write down any items that are unfamiliar to you from the checklist below. 2. Brainstorm 1-2 ways you can find out more about the items you identified in your response above. 	5 mins
4	<p>REFERENCE</p> <ul style="list-style-type: none"> • Tax Deductions vs. Credits • Publisher: Nerdwallet <p>REFERENCE</p> <ul style="list-style-type: none"> • Standard Deductions vs. Itemized Deductions • Publisher: NGPF 	<p>Reference: Tax Deductions vs. Credits</p> <p>Reference: Standard Deductions vs. Itemized Deductions</p> <p>You have all your paperwork and are ready to fill out the 1040. Not so fast! You also have to figure out if you qualify for any <i>tax credits</i> or <i>tax deductions</i>, which can actually lower your overall tax bill! Read the information from this article segment and reference slide to learn more about tax credits and deductions. Then, answer the questions.</p> <ol style="list-style-type: none"> 1. In your own words, explain how tax deductions differ from tax credits. 2. Would you rather want to take a tax deduction or a tax credit? Why? 3. Why might someone want to itemize their deductions if it requires more work than simply claiming the standard deduction? 	10 mins
5	<p>ACTIVITY</p> <ul style="list-style-type: none"> • CALCULATE: Completing a 1040 • Publisher: NGPF 	<p>CALCULATE: Completing a 1040</p> <p>Follow the directions on this worksheet to complete this activity.</p>	40 mins
6	<p>ARTICLE</p> <ul style="list-style-type: none"> • 5 Things You Should Know About Filing State Income Taxes Credit KarmaKnow About Filing State Income Taxes • Publisher: Credit Karma <p>❖ Teacher Tip: You may see varying data about the number of states that have no personal income tax. There are 7 states with NO income tax: Alaska, Florida, Nevada, South Dakota, Tennessee, Texas, Washington, and Wyoming. In addition, there are two states that only tax dividends</p>	<p>5 Things You Should Know About Filing State Income Taxes</p> <p>You've submitted your 1040 - congratulations! But wait, don't forget to file those state taxes! Read this article to determine whether or not you need to file state taxes, and if so, how you go about it. After reading the article, answer these questions:</p> <ol style="list-style-type: none"> 1. Does your state require you to file a tax return? 2. If you are e-filing your tax returns, explain why it is beneficial to file your federal and state taxes through the same e-filing service. 	10 mins

	and interest income: New Hampshire and Tennessee.		
7	<p>VIDEO (1:57)</p> <ul style="list-style-type: none"> • Ways to File Your Taxes • Publisher: Manillavideos 	<p>Ways to File Your Taxes</p> <p>You've got everything ready and are now ready to file your return! There are three basic ways to file your taxes. Watch this video to learn about your options and compare the Pros/ Cons of the following:</p> <p>Old-fashioned Paper Filing, Tax-Preparation Software, Professional Tax Preparers</p>	5 mins
8	<p>ARTICLE</p> <ul style="list-style-type: none"> • What Happens if They Find Mistakes on Your Tax Return? • Publisher: PocketSense 	<p>What Happens if They Find Mistakes on Your Tax Return?</p> <p>While you probably spent a good amount of time making sure your tax return was error free before submitting it, there's always a chance that you made a mistake. So what happens if you did? Read this article to find out and answer the following questions:</p> <ol style="list-style-type: none"> 1. How will you know if there was an error on your tax return and the IRS has made a change? 2. What should someone do if they do not agree with the adjustments the IRS made? 	10 mins
9	<p>VIDEO (0:50)</p> <ul style="list-style-type: none"> • Why Do I Owe on My Tax Return? • Publisher: Turbo Tax <p>WEBSITE</p> <ul style="list-style-type: none"> • Ways to Make a Tax Payment • Publisher: IRS 	<p>Why Do I Owe on My Tax Return?</p> <p>So, you filed your tax return and...you owe some taxes. Why is this the case? And how do you make your payments? Watch this video and then go to the IRS website itself to find out. Then, answer the following questions:</p> <ol style="list-style-type: none"> 1. Explain why someone would owe money to the IRS. 2. What are the two primary ways you can pay the taxes you owe? 3. What is one other way you can pay? 4. Jill filed her taxes and found out that she owes an additional \$1,500. Unfortunately, she can't afford to pay that amount immediately. What options does she have? What are the pros and cons of using these options? 	10 mins
10	<p>ARTICLE</p> <ul style="list-style-type: none"> • What's the IRS Penalty If I Miss the Filing Deadline? • Publisher: Intuit 	<p>What's the IRS Penalty If I Miss the Filing Deadline?</p> <p>What happens if you don't file your tax return at all? Or, what if you don't pay back any taxes that you owe? Read this article to learn about what penalties and fees you may face. Then, answer the following questions:</p> <ol style="list-style-type: none"> 1. Under which of these circumstances would you incur fees from the IRS? (Select all that apply) <ol style="list-style-type: none"> a. When you owe taxes and filed your tax return 3 days after the filing deadline. b. When you are owed a tax refund and you file 3 days after the filing deadline. 	7 mins

		<p>c. When you owe taxes and fail to pay the amount owed by the tax deadline.</p> <p>2. Circle or highlight the options that correctly complete this sentence:</p> <p>a. Failing to file your tax return is <u>more / less</u> severe than failing to pay back any taxes you owe. If you fail to file your tax return, you will be charged <u>0.5% / 5%</u> per month, whereas if you fail to pay any taxes you owe, you will be charged <u>0.5% / 5%</u> per month.</p> <p>3. If you are owed a tax refund, you have 3 years to file your tax return. Do you think it is a good idea to wait so long? Why or why not?</p>	
11	<p>ARTICLE</p> <ul style="list-style-type: none"> • What To Do With Your Tax Refund • Publisher: Mint.com 	<p>What To Do With Your Tax Refund</p> <p>Now let's take a look at the alternative outcome you might have after you file your tax return - you got a refund! Read this article to learn some tips on how to best use your refund. Then, answer the questions.</p> <ol style="list-style-type: none"> 1. Which of the recommendations would you use to maximize your tax refund as a high school student? Explain your reasoning. 2. Now, think about yourself as a 22-year old college graduate. Would you change the way you spend your tax refund? Why or why not? 	8 mins
12	<p>EXIT TICKET</p> <p>❖ Teacher Tip: To access this Exit Ticket, please see the Sample Completed Student Activity Packet (SSAP). You can find this on the Unit Page this resource is in.</p>	<p>Exit Ticket</p> <p>Follow your teacher's directions to complete the Exit Ticket.</p>	5 mins



EXTEND THE LEARNING

DO MORE...

INTERACTIVE

- [Quizlet Cashcabulary | Taxes](#)
- Publisher: NGPF
- [Intuit TurboTax Education Simulation](#)
- Publisher: Intuit

FINCAP FRIDAY

LEARN MORE...

ARTICLE

- [6 Tips On Filing Taxes For the First Time](#)
- Publisher: Bankrate
- [Free File: Do your Federal Taxes for Free](#)
- Publisher: IRS

VIDEO:

- [Reason for the Season](#)
- Publisher: NGPF

- [How to fill out IRS Form 1040 for 2020](#)
- Publisher: PDFTax
- [Tax Deduction vs. Tax Credit](#)
- Publisher: Practical Personal Finance

QUESTION OF THE DAY

- [Question of the Day: What is the deadline for filing your 2022 tax return?](#)
- Publisher: NGPF

FAST FACTS...

- The [IRS Free File Program](#) is a public-private partnership between the IRS and many tax preparation and filing software industry leaders who provide their brand-name products for free for those with income of \$72,000 and below (IRS, 2021)
- Over the long term, shifts toward exclusive school enrollment have meant that while teens are less likely to be engaged in the labor force, they are clearly spending their time productively. Teens who are only enrolled in school spend the most time on education-related activities, while those who juggle work and school spend less time on school than those who are enrolled only, and spend the least time on leisure activities. (Brookings, 2020)