

Unit 6- Taxes

_____ – A sum of money demanded by a government to support the government itself as well as specific facilities or services.

Taxpayers - A person who pays a tax to _____, _____, county or municipal (city/town) governments

Community – a group of people with _____ and concern for the common good

4 Examples of Community

1. _____

3. _____

2. _____

4. _____

Benefits of being in a community

1. _____

3. _____

5. _____

2. _____

4. _____

6. _____

- You are better off being in a community than _____
- As a community member you receive _____ benefits you could not pay for individually
- _____ are a way members of a community _____ for one another

5 Types of Taxes

1. _____

3. _____

5. _____

2. _____

4. _____

_____ - tax on earned and unearned income

Earned income - money earned from _____ for pay.

Example: _____ earned from employment

Unearned income - income _____ other than employment.

Example: Interest earned from a _____

Components of income tax = _____ Income tax + _____ Income Tax

Federal Income Tax

Tax is determined by?	Paid by?	Helps fund?
<ul style="list-style-type: none"> • _____ and unearned income • Higher income = _____ tax paid 	<ul style="list-style-type: none"> • Majority of people _____ 	<ul style="list-style-type: none"> • _____ of federal government • _____ programs • _____ • defense of the _____ • disaster relief

State Income Tax

Tax is determined by?	Paid by?	Helps fund?
<ul style="list-style-type: none"> • Earned and _____ income • _____ income = More tax paid 	<ul style="list-style-type: none"> • Those _____ in states with a state income tax <ul style="list-style-type: none"> ○ _____ states have a state income tax 	<ul style="list-style-type: none"> • Varies by state • Examples: <ul style="list-style-type: none"> ○ State _____ ○ Operations of state _____

Payroll tax

A tax on earned income that supports the _____ programs (also known as FICA)

Tax is determined by?	Paid by?	Helps fund?
<ul style="list-style-type: none"> • A _____ of earned income • Deducted out of _____ (except for self-employed) 	<ul style="list-style-type: none"> • Individuals who earn income from working _____ • _____ 	<ul style="list-style-type: none"> • _____ program • Medicare _____

What is Social Security?

Purpose	Tax charged
Income for: <ul style="list-style-type: none"> • _____ • People with profound _____ • _____ who have lost a parent • A person with children who has experienced the _____ 	<ul style="list-style-type: none"> • _____ of earned income • Up to an annual _____

What is Medicare?

Purpose	Tax charged
<ul style="list-style-type: none"> • Helps pay for health care for senior citizens 	<ul style="list-style-type: none"> • _____ % of earned income • _____

What is the difference between income tax and payroll tax?

Income Tax	Payroll Tax
<ul style="list-style-type: none"> • Paid on both earned and unearned _____ • Amount paid depends on _____ factors but increases as income _____ • Funds many different operations and programs of the _____ 	<ul style="list-style-type: none"> • Paid on only _____ income • A set _____ of earned income is paid • Funds the Social Security and _____ programs

Property tax

a tax on property, such as _____ (including homes), and motor vehicles

Tax is determined by?	Paid by?	Helps fund?
<ul style="list-style-type: none"> • _____ of property value • Amount paid _____ depending upon where you live 	<ul style="list-style-type: none"> • _____ ○ Fee to license car is a property tax 	<ul style="list-style-type: none"> • _____ • _____ of state and local governments

Sales tax

tax on purchased _____

Tax is determined by?	Paid by?	Helps fund?
<ul style="list-style-type: none"> • A percentage added to the _____ of an item <ul style="list-style-type: none"> ○ \$1.00 item charged 6% sales tax = \$1.06 	<ul style="list-style-type: none"> • Anyone who purchases an item _____ sales tax • Some states _____ sales tax 	<ul style="list-style-type: none"> • Expenses of _____ governments

Excise taxes

taxes collected from the _____ and as such often remain hidden in the price of a product or service

Tax is determined by?	Paid by?	Helps fund?
Purchase of certain items: <ul style="list-style-type: none"> • _____ • Hotel rooms • _____ • Cigarettes • _____ • Often included within the price of these items 	<ul style="list-style-type: none"> • Anyone who purchases certain items • _____ 	<ul style="list-style-type: none"> • Expenses of state and local _____

HOW ARE TAX RATES DETERMINED??
Determined by _____ representatives (city councils, county commissions, state legislatures, _____)
_____ by _____
_____ = voters
Work as a _____ group to elect representatives who will represent the _____

TAXES & MONEY MANAGEMENT:

Taxes _____ in both _____ and _____.

One of the largest _____ for many people.

Summary

<p>Without _____ it would be hard to pay for many of the _____ of being a member of a _____</p>	<p>Taxes are _____ in many different _____</p>
<p>The _____ of taxes you pay and what you pay those taxes on _____ depending upon where you live and _____</p>	<p>_____ is an important part of _____</p>