

The Basics of Taxes Note Taking Guide

	Total Points Earned
	Total Points Possible
	Percentage

Name _____

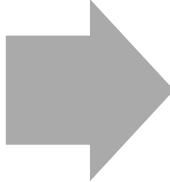
Date _____

Class _____

Directions: Use the prompts provided to help you take notes during the lesson.

What are taxes?

What are **taxes**?



Taxes are paid by taxpayers. Who are **taxpayers**?

How do you benefit from the taxes you pay?

The answer is based in the principle “You are better off being in a community than by yourself.”

What is a **community**?




Communities may include:



What are benefits of being a part of these communities?

Taxes are a way that members of a community provide for one another by helping fund the creation of roads, public schools, police and fire departments, military for national security, and much more.

How do taxpayers pay taxes?

<i>Tax is determined by?</i>	<i>Paid by whom?</i>	<i>Helps fund?</i>
Income tax is a tax on earned and unearned income.		
1. What is earned income ? Provide an example.		2. What is unearned income ? Provide an example.
Income tax is divided into federal income tax and state income tax.		
Federal Income Tax		
3.	Majority of people living in the U.S.	4.
State Income Tax		
5.	6.	Varies by state but examples include state highways and the operations of the state government
Payroll tax – A tax on earned income that supports the Social Security and Medicare programs (also known as FICA)		
7.	8.	The Social Security and Medicare programs 9. What is Social Security? 10. What is Medicare?

<i>Tax is determined by?</i>	<i>Paid by whom?</i>	<i>Helps fund?</i>
11. What is <i>property tax</i>?		
12.	Property owners The fee to license a car is a property tax	13.
14. What is <i>sales tax</i>?		
15.	16.	Expenses of state and local governments
17. What is <i>excise tax</i>?		
18.	Anyone who purchases certain items that are charged an excise tax Excise taxes charged vary by location	Expenses of state and local governments

How are tax rates determined?

Why is understanding taxes an important part of money management?