

Taxes

Objectives

Learn why people must pay taxes and what deductions from a paycheck mean.

Instructions

1. In Google Docs choose File->Make a copy to duplicate and be able to edit this file.
2. Learn about taxes by doing the following:
 - a. Read this [article on basic tax information](#).
 - b. Review and understand a [sample earnings statement](#) or pay stub.
 - c. Walk through an [IRS payroll tax tutorial](#). Then answer the questions below.
3. Fill out the Taxes worksheet below including your name and the date.
4. Submit your finished Taxes worksheet to your teacher.
5. Also keep a copy of it to include in your Capstone binder later.

SOUTH LINDHURST CAPSTONE

Taxes Name _____ Date _____

A. What are the two largest budget items my federal tax dollars go to? (Refer to [Taxpayer Receipt](#))

B. What are two examples of voluntary payroll deductions? (Refer to [Decode Your Paycheck](#))

C. Answer the following questions which are from the online [IRS Payroll Tax Tutorial](#).

Question	Answer
Which tax provides for medical benefits?	<input type="checkbox"/> FICA tax <input type="checkbox"/> Federal Income Tax <input type="checkbox"/> Social Security tax <input type="checkbox"/> Medicare tax
How much income tax do employers withhold from employee pay?	<input type="checkbox"/> 6.2% of gross pay <input type="checkbox"/> 1.45% of gross pay <input type="checkbox"/> 7.65% of gross pay <input type="checkbox"/> Employers use the info on Form W-4 to compute income tax withholding
Net pay	<input type="checkbox"/> is more than gross pay <input type="checkbox"/> is also known as take-home pay <input type="checkbox"/> is gross pay minus 7.65% <input type="checkbox"/> depends on how much the employee wants to pay in Social Security taxes
In the online example who completed the Form W-4?	
Is the taxpayer married or single?	<input type="checkbox"/> married <input type="checkbox"/> single <input type="checkbox"/> divorced <input type="checkbox"/> widowed
How many allowances does the taxpayer claim?	
What is the additional tax amount the employee wants to be withheld?	

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