

Name:

Students will be able to:

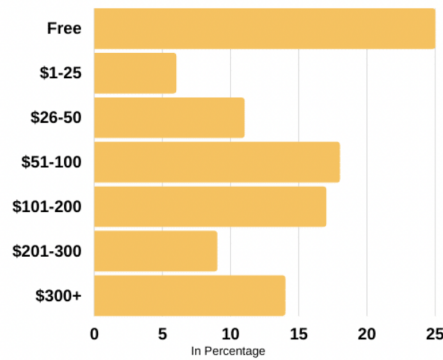
- Identify the different forms needed to prepare their taxes
- Compare different methods of preparing federal and state taxes
- Analyze a W-2 form
- Describe the difference between a flat and progressive tax rate

 **INTRO**

PROMPT:

Review the chart and use the space below to answer the prompt.

How Much Did You Pay To File Your Federal Tax Return?



 **THE COLLEGE INVESTOR**
HELPING STUDENTS & FAMILIES MAKE BETTER FINANCIAL DECISIONS

- 1. 25% of people reported filing their federal taxes for free. Do you think this number should be higher? Lower? Or does it seem about right? Explain your answer.**



 **LEARN IT**

REFERENCE: [Tax Preparation Checklist for Teens](#)

What do you need to file your taxes? Review this handy list of items you will need to fill out the 1040 form. Check off the items you're confident you will have ready. Take note of any items you're unsure or have any questions about.

VIDEO: [Ways to File Your Taxes](#)

Once you've gathered everything you'll need, you have a few different options to choose from in how to prepare and submit your taxes. Watch this video to learn more about the three most commonly used options. Then, answer the questions.

Tip: *The video lists the pros of all three options but only lists cons for paper filing. You will have to brainstorm cons for the other two options on your own.*

1. What are the pros and cons of each method for preparing your taxes?

- a. Old-fashioned paper filing:

- b. Tax preparation websites:

- c. Hiring a tax professional:

2. Which option would you choose to prepare your taxes? Explain why.

VIDEO: [What's a W-2 Form?](#)

The W-2 form contains some of the most crucial information you'll need to prepare your taxes. Watch this video to learn why it's so important. Then, answer the questions.

- 1. All of the following people should receive W-2 forms EXCEPT...**
 - a. Edgar, who works 10 hours/week cleaning pools for \$15/hour at WeCleanPools
 - b. Melinda, who works 40 hours/week at a local ice cream shop during the summer
 - c. Marcus, who is on salary as a sales representative at a shoe store, working full-time
 - d. Serena, who is a freelance wedding photographer
- 2. What are two important items detailed in your W-2 form? (select two correct answers)**
 - a. Wages, tips, and other compensation
 - b. Number of dependents you will claim
 - c. Federal and state taxes withheld from your earnings
 - d. Additional money you want withheld from your paycheck
- 3. When should you receive your W-2 form from your employer?**
 - a. Attached to every pay stub
 - b. By January 1
 - c. By January 31
 - d. By April 15



ACTIVITY: [FINE PRINT: W-2 Form](#)

Now that you know why it's so important, let's take a look at a sample W-2 form in more detail so you can be more confident when the time comes to prepare your own taxes. Follow the directions on the worksheet to complete this activity.



ARTICLE: [State Income Tax Rates: What They Are and How They Work](#)

In the previous resources you've learned that in addition to federal income taxes, states can also withhold income taxes from your earnings. Review the sections States With No Income Tax, States With Flat Income Tax Rates, and States With Progressive Tax Structures to learn more about how different states handle income taxes. Then, answer the questions.

- 1. What is the state income tax rate in the state you live?**

2. Which states have no income taxes at all?

3. What is the difference between a flat tax rate and progressive tax rate?



EXIT TICKET

Follow your teacher's directions to complete the Exit Ticket.