

# Income Taxes

Federal Income Taxes are a percentage of an individual's or business's income paid to the government and used to fund public goods and services. If you understand how these taxes work and their purpose, you can better appreciate the benefits and better account for the losses.

1. How do you feel about the idea of filing for taxes (circle one)? **Answers may vary.**



Confident



Neutral



Overwhelmed

2. What's one advantage to understanding the tax bracket and status you fall into?

**It can help you plan and estimate how much you might owe in taxes each year.**

3. Name at least two important income tax deadlines—be sure to include what those dates signify.

- a. **April 15 (the traditional deadline for filing federal income tax returns for individuals), April 18 (the extended**
- b. **deadline for filing taxes due to specific circumstances including legal holidays), October 15 (the deadline for filing a tax return if you requested an extension by the original deadline (usually April 15), January 31 (the deadline for employers to give W-2 forms out to their employees).**

4. What is the difference between a W2 form and a W4 form?

**A W2 is a form that employers provide to their employees that summarizes earnings and tax withholdings while a W4 is a form that employees fill out when they start a new job or their personal situation changes.**

5. Match the correct definition with it's correlating vocabulary term.

Tax Bracket

Tax Status

Deduction

Marginal Tax Rate

Tax Credit

An item or expense that can reduce the amount of tax someone owes.

A benefit rewarded by the state or government that helps reduce someone's tax bill.

This is defined as the percentage a taxpayer paid on their last tax dollar.

Shows the tax rate that a taxpayer pays on each portion of your income.

Establishes whether someone is single, married, has dependents, etc. and determines necessary filing requirements.

6. What's your biggest takeaway?

**Answers may vary.**