

Presentation: Taxes

AGES 13-18

Before Presenting: Edit the first slide and be sure to log in to the Manager to make sure and show your branding.

Slide 1 Sponsor Intro

NOTES

- Introduce yourself to the class and explain a little bit about your role.
- Go over a typical day in your position and what products or services your institution offers.
- Explain why you sponsor Banzai.
- Feel free to invite the class to ask questions about you, your role, your financial institution, etc.



Slide 2 Concept Overview

NOTES

- Introduce the topic briefly. **Ask the students how much they understand about taxes and how they work.** Tell them that taxes are mandatory fees that individuals and companies need to pay the government. Explain that there are different types of taxes including income tax, property tax, sales tax, etc., but that you'll be focusing on income tax.



Slide 3 Presentation Overview

NOTES

- This slide serves as a table of contents that introduces the presentation. These are the specific topics you'll cover in the order you'll present them in.

We're going to discuss...

- What Are Income Taxes?
- Explaining Tax Brackets
- Tax Forms & Who Pays Taxes
- Where Does Tax Money Go?
- When Are Taxes Due?
- Important Due Dates

Banzai!

Slide 4 What Are Income Taxes?

NOTES

- Explain that an income tax is a fee collected by the government based on the dollar amount that a business or individual earns.
- A tax is taken at both the federal and state levels, but there is only one filing process for both.
- Federal tax rates are generally higher than state tax rates, but state taxes could include more opportunities to deduct or subtract from the amount a taxpayer owes to given different circumstances. For example, tax credits are given to some state residents based on whether or not they've purchased solar panels or other eco-friendly products.
- Large purchases such as purchasing a home are also tied to reducing the amount you owe in tax.

What are Income Taxes?

- Federal
- State

Banzai!

Slide 5 Concept Overview

NOTES

- Explain to the students that tax brackets can differ based on the tax year, the year you're filing taxes for, or your tax status—whether you're single, married, have a family, etc.
- A **tax status** is a category that taxpayers choose to file as based on their familial or economic situation. There are four main tax statuses: single, head of household, married filing jointly or qualifying widow, or married filing separately.
- Tax brackets break up income into various chunks. Each chunk is taxed at a specific rate. A person falls into one or more tax brackets based on their tax status and how much money they make. For example, a single person that makes \$0-\$10,275 a year would pay 10% of that income to the federal government because they fall into only one tax bracket.
- Explain that not everyone will pay just one percentage of their income on taxes, some could pay multiple.** A **marginal tax rate** is defined as the percentage a taxpayer paid on their last tax dollar. Let's say the first tax bracket of 10% gets cut off at \$10,275, someone who makes \$14,000 a year will only pay 10% of the first \$10,275 they make. After subtracting that amount from their overall income, that taxpayer is left with the marginal tax rate of 12% for the remaining 3,725 owed.

RATE	2022		2023	
	SINGLE FILER	MARRIED FILING JOINTLY	SINGLE FILER	MARRIED FILING JOINTLY
37%	>\$539,900	>\$647,850	>\$578,125	>\$693,750
35%	>\$215,950	>\$431,900	>\$231,500	>\$462,500
32%	>\$170,050	>\$340,100	>\$182,100	>\$364,200
24%	>\$49,075	>\$178,150	>\$95,375	>\$190,750
22%	>\$41,775	>\$83,550	>\$44,725	>\$89,450
12%	>\$10,275	>\$20,550	>\$11,000	>\$22,000
10%	≤\$10,275	≤\$20,550	≤\$11,000	≤\$22,000

Explaining Tax Brackets

<https://www.fidelity.com/learning-center/personal-finance/tax-brackets-2023>

Slide 6 Tax Forms & Who Pays Taxes?

NOTES

- Explain to the class that all U.S. citizens are required to pay income taxes, so long as they fit the requirements established by the IRS. Generally, those requirements are that citizens be a certain age and make a minimum amount of money.
- The W4 is a form that every employed individual is required to fill out at the start of any new job. This form declares your status and the number of dependents you have so that your place of employment can predict how much they'll need to withhold from each paycheck. This money is put toward what you will owe in taxes, meaning you will either get a refund if they withheld too much or need to pay extra if they didn't withhold enough.
- The W2 is a form that everyone should receive either in December or January of each year that declares how much an employee made and the amount of taxes that have been withheld throughout the year. The W2 form is used when filing taxes.

Tax Forms & Who Pays Taxes?

- Minimum income required
- W4
- W2

Banzai!

Slide 7 Where Does Tax Money Go?

NOTES

- The federal taxes you pay are used by the government to invest in the country and to provide goods and services for the benefit of the American people. The biggest categories of expenditures are: major health programs, such as Medicare and Medicaid and social security.
- **Medicare:** Medicare is a federal health program that applies to individuals 65 or older and those who have qualifying disabilities.
- **Medicaid:** Medicaid supports eligible low-income adults, children, and families by giving them access to health coverage.

Where does Tax Money Go?

- Major health programs
- Medicare
- Medicaid

Banzai!

Slide 8 Important Tax Dates

NOTES

- Explain that the IRS issues a date that taxpayers can start filing their tax return in January. This date differs year to year.
- **April 15th** (Tax Deadline) is the normal tax filing deadline. If the fifteenth lands on a weekend or holiday, it's typically delayed until the following business day.
- **October 15th** is the Tax Extension Deadline. In order to get an extension on tax filing, a person would need to complete and mail in a form—the 4868 form or the Application for Automatic Extension of Time To File U.S. Individual Income Tax Return. No extensions can be processed after the first tax deadline in April, so it's important to get the application submitted early.

Important Tax Dates

- January
- April 15th
- October 15th

Banzai!

Slide 9 Resources

NOTES

- Your Tax Return Pregame is a Banzai Coach that walks users through different aspects of taxes. It can take anywhere from 2-10 minutes to finish and gives the class a good definition of important tax terms like filing statuses, deductions, etc.
- Depending on how the presentation goes, you may want to give the class something to interact with. The Federal Income Tax Calculator is a good way to demonstrate how much tax is taken out of different income brackets. Pull up the Federal Income Tax Calculator and let students take turns directing you which income to put in.
- Help students prepare for their first job by passing out the How to Fill Out a W4 worksheet and helping them complete it. Be there to answer any questions about the seemingly complicated W4 form. (You could use this in conjunction with Slide 6).

Resources

- Coach: Your Tax Return Pre-Game
- Calculator: Federal Income Tax Calculator
- Handout: Income Taxes

Banzai!

Slide 10 Conclusion

NOTES

- Understanding how taxes work is important and all of you will be expected to start practicing it the minute you get hired for your first job. As long as you prepare for that day now, you'll be one step ahead in your finances.
- Ask if you can answer any questions.

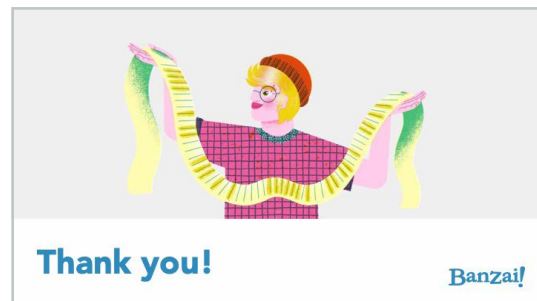
*This is a great opportunity to ask the audience to fill out the handout provided in this file

Conclusion

Now that you understand what federal income taxes are, practice how to...

- Define tax statuses and brackets
- Fill out tax forms like the W4
- Understand when and how to file

Banzai!



Note: Bookend slides are included in presentation.

INCOME TAXES WORKSHEET

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)?



Confident



Neutral



Overwhelmed

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

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

1. _____

2. _____

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

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

Tax Bracket

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

Tax Status

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

Deduction

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

Marginal Tax Rate

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

Tax Credit

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

6. What's your biggest takeaway?
