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How Much Do I Pay In Taxes? Infographic Activity

A wide variety of economic activities are taxes by various levels of government, including taxes on what individuals buy, earn, and own. As a major source of revenue for the federal government, as well as many state governments, income taxes affect wage earners' net pay. When taxpayers file federal and state income tax forms every year, they compute their tax liability and determine if they have paid more than the amount due (and will receive a refund) or if they have paid less than the amount due (and will have to pay the balance).

Activity

Refer to the infographic (bit.ly/frba-taxes-personal) to answer the following questions.

1. What are the three types of taxes?

2. What are two examples of taxes on something you buy?

3. What are two examples of taxes on your earnings?

4. What are two examples of taxes on things you own?

5. What is the difference between gross and net income?

6. What taxes are subtracted from gross income to calculate net income?

7. What are two examples of deductions that can be subtracted from adjusted gross income to find taxable income?

8. How do tax credits affect your tax liability?

9. When the amount of taxes withheld from your earnings is greater than what you owe, what occurs?