Consumer Math

Give students Tax Code extra practice sheet.

For quizzes, need one copy of blank 1040EZ for each student

For test, need one copy of blank forms for each student:

* 1040EZ
* 1040A
* Schedule 1 and 2
* Schedule A

For test, use Tax Table figures handout instead of page 3.

## Study Guide for Chapter 13 quizzes and test

Know these things:

* ***From memory:***
  + the name of the federal tax collection agency (p. 486)
  + the date and time by which all tax returns must be postmarked/filed (p. 486)
  + the name of the wage and tax statement that an employee receives from the employer and must file with his return (p. 486)
  + total tax owed for the year (not just remainder above withholding) (p. 492)
  + the term for the amounts of tax-free income based on a list of qualifying expenditures (p. 493)
  + for which two filing statuses a 1040EZ can be used (p. 497)
* Be able to identify items such as wages, interest on corporate or municipal bonds, stock dividends, gifts, and IRA contributions as income, deductions, or neither (p. 487)
* How to find taxable interest from a list such as the above if given filing status for standard deduction and number of dependents to find total exemptions at $3050 each (pp. 488-489
* Given a number of scenarios, tell why the taxpayer could NOT use 1040EZ and whether he COULD use 1040A (Section 13.3 and 13.4)
* How to fill out a 1040EZ form for a named person (make up any missing info, like address and social security # (Section 13.3)
* Know what Schedules 1, 2, A, and B and Form 2441 are used for (Section 13.5 and 13.6)
* Know the amount of interest or dividends above which you must fill out a separate form to list the payer (Section 13.5 and 13.6)
* Know whether a tax credit is subtracted from taxable income or tax liability(p. 495 and Section 13.5 and 13.6)
* Be able to explain the difference between earned income and unearned income ***and give an example of each*** (p. 508)
* Whether all states levy income taxes on their residents (p. 519)
* What most states base income taxes on (p. 519)
* What a flat tax means and doesn’t mean for a state resident and how to find the tax liability if given amounts (p. 519 and work on p. 521)
* How a graduated tax works, including actually working out the tax liability with Table 13.2 (pp. 519-521)

***IN ADDITION***, for the ***test***, know these things:

* Terms and definitions from the Tax Code practice sheet (matching)
* Extensive section of True/False with much of the same info as on the quizzes, with these additional items:
  + What is the reason for filing a tax return (p. 486)
  + What is done with *adjustments to income* (p. 487)
  + What determines whether you get a refund or owe additional money (p. 492)
  + What determines whether you should use itemized or standard deduction (p. 512)
* How to fill out all forms and schedules used in this chapter (names will be given; be sure to make up and fill in needed info, including EIN [##-#######] for babysitting company, rather than social security number)