Taxes: Fair or Not? Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Economics and Finance

For this lesson, you will be assigned a job. You will first break into that group and discuss, answer questions, and fill out a sample tax form. You will decide as a group whether or not you think the tax rate for your given profession is fair and the reasoning behind that decision.

**Part 1 – Average Salaries**: You will only be looking up the average salary for **YOUR JOB**. You will get the salaries from other professions when you break into other groups. Again, you’re looking up the *average* salary for your job.

McDonald’s Store Manager – $

Pediatrician – $

Construction Worker – $

3rd Year Virginia Teacher – $

**Part 2 – Group discussions**

Along with income tax, the average American pays about **10% of their annual income is sales tax** as well. Based on the amount of money taken out for your income tax (combined with sales tax) respond to and discuss the following questions. You can answer these as a group, but each group member must fill out their own worksheet.

* What is the marginal tax rate for your job? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* How much does this cause you to pay in income taxes per year? (salary x tax rate)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* Adding in the average sales tax, how much per year do you pay in income and sales tax alone?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* In the group’s opinion, is the amount of taxes for this job fair? Should your job pay more or fewer in taxes? Explain your reasoning to both of these questions. **I want this to be a good discussion about taxes and the fairness of them. Everyone should contribute.**

**Part 3 – Mixed Job Groups**

In these groups, you will be discussing who has the most fair tax rate. You should come to a group consensus as to which job is better off **in regards to taxes**. This does not mean which profession is better off in general. Clearly, most people will desire a job with the most amount of money.

Each job member will present information about their particular job that everyone will fill out, including average salary on the first page.

**Job: McDonald’s Store Manager**

* What is the marginal tax rate for this job? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* How much does this cause you to pay in income taxes per year? (salary x tax rate)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* Adding in the average sales tax, how much per year do you pay in income and sales tax alone?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Job: Pediatrician**

* What is the marginal tax rate for this job? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* How much does this cause you to pay in income taxes per year? (salary x tax rate)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* Adding in the average sales tax, how much per year do you pay in income and sales tax alone?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Job: Construction Worker**

* What is the marginal tax rate for your job? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* How much does this cause you to pay in income taxes per year? (salary x tax rate)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* Adding in the average sales tax, how much per year do you pay in income and sales tax alone?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Job: Teacher**

* What is the marginal tax rate for your job? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* How much does this cause you to pay in income taxes per year? (salary x tax rate)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* Adding in the average sales tax, how much per year do you pay in income and sales tax alone?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* **Which job did your groups decide is the most desirable in regards to taxes? Again, this should be a good group discussion and you need to explain your reasoning.**