

GED 2002 Teachers' Handbook of Lesson Plans

Area/Skill - Mathematics	Cognitive Skill Level - Synthesis	Correlation to Framework - 05.01/05.16	Lesson Number - 21
<p>Activity Title - Completing A Simple Tax Form</p> <p>Goal/Objective</p> <p>After completing this unit the student will be able to complete a simple tax form correctly.</p> <p>Lesson Outline Introduction</p> <p>This activity consists of the completion of IRS Form 1040 EZ. This form represents a commonly used form and provided an excellent starting point for the proper completion and computation of tax forms.</p> <p>Activity</p> <p>Download and print a copy of 1040 EZ. Create an overhead transparency and provide each student with a photocopy of the form. After distribution of the forms, begin by instructing students to complete the label section using their own address and name information. Use the following information.</p> <ol style="list-style-type: none"> 1. Total Wages and Tips = \$12,250 2. Taxable interest in the amount of \$305 3. No unemployment compensation. 4. Complete as directed. 5. Answer No 6. Follow instructions. 7. Enter withholdings in the amount of \$2,930 8. 0 9. Continue form to end <p>Debriefing/Evaluation Activity</p> <p>The instructor should complete the sample form using the transparency and compare and evaluate student responses. Is this a necessary skill for individuals to possess in today's society?</p>			<p>Materials/Texts/Realia/Handouts</p> <ul style="list-style-type: none"> • Handout - Form 1040 EZ • Handout - Form 1040 • Handout - Tax Table • Paper and pencils • Overhead and transparencies • Calculator <p>Update forms at www.irs.gov</p>
			<p>Extension Activity</p> <p>Provide students with a copy of form 1040 and direct students to complete this form using the basic information from the activity. Compare and contrast the two forms.</p> <p>Use 1040EZ and complete using different values that would yield a pay-back situation</p>
			<p>ESE/ESOL Accommodations</p> <ul style="list-style-type: none"> • Fill in necessary numbers on student's form. • Have students do math on separate paper and transfer to form after computations. • Give students extra time. • Model the operations for students. • Buddy up with a classmate.
<p>Real-Life Connection</p> <p>Taxes are part of everyone's daily life. Discuss the various methods by which citizens pay taxes. State tax, form 1040, itemized deductions, sales tax, hidden taxes and other forms of taxation may be discussed.</p> <p>Display other tax related forms for student inspection to ensure that they are able to identify them and to be prepared to utilize them appropriately. Ask students to speculate on when it would be appropriate to utilize Form 1040 that is included in this lesson.</p>			

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Activity Title – Tax Forms

Sample Script for Presenting the Lesson. You should include the instructions from form 1040EZ as an integral part of your presentation.

Introduction

Say: This lesson will give us practice completing one of the most common tasks in your work life. We will be working together to complete the federal income tax form 1040EZ. We will do this activity together the first time and everyone should obtain the same answers.

Main Activity

Do: Distribute a copy of 1040EZ to each student. Place the transparency of the form on the overhead.

Say: At this time please complete all information on the form down to #1.”

Do: As you say the following script write in the numbers on the transparency.

Say: On line one write in \$12,250. One line two write in \$305. One line three write in 0. On line three write in \$12,555, which is the total of the first numbers. On line 5 write in 0 and on line six write in \$12,555.”

Explain to students that their employers will provide them with a form that tells how much tax they paid. This form is called a W-2.

Say: One line 8 enter 0 and on line 9 enter 2,930. This number will represent the amount of tax that was withheld from your wages. It will be given to you on the W-2. Please note the sample tax table included in the lesson. The amount of tax owed on the income of \$12,555 is highlighted in red.

Say: You can find the amount of tax owed based on your income using tax tables provided by the IRS. The amount of tax owed on the sample income is listed as \$1,886. This amount should be written on line 10. At this time you should do the math and subtract line 10 from line 9. You will find that your answer is \$1,044 and would be your refund.

Closure/Conclusion

Say: As you see by following the instructions on the form it is fairly easy to complete the 1040EZ. Remember that you will not always receive a refund. Using your own information complete the page.

Do: Review the completed form on the overhead and ask the students to follow along for reinforcement.

Follow-Up Lesson / Activities

Do: Provide students with form 1040 and ask them to compare the two documents. Suggest that students determine how to obtain blank forms and bring them to class on the next meeting.

Use the IRS label here	Your first name and initial		Last name		
	If a joint return, spouse's first name and initial		Last name		
	Home address (number and street). If you have a P.O. box, see page 12.			Apt. no.	
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 12.				

Your social security number

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Spouse's social security number

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Presidential Campaign (p. 12) **Note.** Checking "Yes" will not change your tax or reduce your refund. Do you, or spouse if a joint return, want \$3 to go to this fund? ▶

You Yes No **Spouse** Yes No

Income

Attach Form(s) W-2 here. Enclose, but do not attach, any payment.

Note. You must check Yes or No.

1	Total wages, salaries, and tips. This should be shown in box 1 of your W-2 form(s). Attach your W-2 form(s).	1
2	Taxable interest. If the total is over \$400, you cannot use Form 1040EZ.	2
3	Unemployment compensation, qualified state tuition program earnings, and Alaska Permanent Fund dividends (see page 14).	3
4	Add lines 1, 2, and 3. This is your adjusted gross income .	4
5	Can your parents (or someone else) claim you on their return? Yes. Enter amount from worksheet on back. <input type="checkbox"/> No. If single , enter 7,200.00. If married , enter 12,950.00. See back for explanation. <input type="checkbox"/>	5
6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter 0. This is your taxable income .	6

Dollars **Cents**

Payments and tax

7	Enter your Federal income tax withheld from box 2 of your W-2 form(s).	7
8a	Earned income credit (EIC). See page 15.	
b	Nontaxable earned income: enter type and amount below.	
	Type <input type="text"/> \$ <input type="text"/>	8a
9	Add lines 7 and 8a. These are your total payments .	9
10	Tax. Use the amount on line 6 above to find your tax in the tax table on pages 24–28 of the booklet. Then, enter the tax from the table on this line.	10

Refund

Have it directly deposited! See page 20 and fill in 11b, 11c, and 11d.

11a	If line 9 is larger than line 10, subtract line 10 from line 9. This is your refund .	11a
b	Routing number	
c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number	

Amount you owe

12	If line 10 is larger than line 9, subtract line 9 from line 10. This is the amount you owe . See page 21 for details on how to pay.	12
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I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and accurately lists all amounts and sources of income I received during the tax year.

Sign here ▶

Your signature		Spouse's signature if joint return. See page 11.	
Date	Your occupation	Date	Spouse's occupation

For Official Use Only

6	7	8	9	10

May the IRS discuss this return with the preparer shown on back (see page 21)? Yes No

Use this form if

- Your filing status is single or married filing jointly.
- You do not claim any dependents.
- You do not claim a student loan interest deduction (see page 8) or an education credit.
- You had **only** wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, qualified state tuition program earnings, or Alaska Permanent Fund dividends, and your taxable interest was not over \$400. **But** if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your W-2, you may not be able to use Form 1040EZ. See page 13. If you are planning to use Form 1040EZ for a child who received Alaska Permanent Fund dividends, see page 14.
- You did not receive any advance earned income credit payments.
- You (and your spouse if married) were under 65 on January 1, 2001, and not blind at the end of 2000.
- Your taxable income (line 6) is less than \$50,000.

If you are not sure about your filing status, see page 11. If you have questions about dependents, use TeleTax topic 354 (see page 6). If you **cannot use this form**, use TeleTax topic 352 (see page 6).

Filling in your return

Enter your (and your spouse's if married) social security number on the front. Because this form is read by a machine, please print your numbers inside the boxes like this:

9	8	7	6	5	4	3	2	1	0
---	---	---	---	---	---	---	---	---	---

Do not type your numbers. Do not use dollar signs.

For tips on how to avoid common mistakes, see page 30.

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the booklet before filling in the form. Also, see the booklet if you received a Form 1099-INT showing Federal income tax withheld or if Federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends.

Remember, you must report all wages, salaries, and tips even if you do not get a W-2 form from your employer. You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

Worksheet for dependents who checked "Yes" on line 5

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, use TeleTax topic 354 (see page 6).

(keep a copy for your records)

A. Amount, if any, from line 1 on front _____	+	250.00	Enter total ▶	A. _____
B. Minimum standard deduction				B. 700.00
C. Enter the larger of line A or line B here				C. _____
D. Maximum standard deduction. If single , enter 4,400.00; if married , enter 7,350.00				D. _____
E. Enter the smaller of line C or line D here. This is your standard deduction				E. _____
F. Exemption amount.				F. _____
• If single, enter 0.				
• If married and— —both you and your spouse can be claimed as dependents, enter 0. —only one of you can be claimed as a dependent, enter 2,800.00.				
G. Add lines E and F. Enter the total here and on line 5 on the front				G. _____

If you checked "No" on line 5 because no one can claim you (or your spouse if married) as a dependent, enter on line 5 the amount shown below that applies to you.

- Single, enter 7,200.00. This is the total of your standard deduction (4,400.00) and your exemption (2,800.00).
- Married, enter 12,950.00. This is the total of your standard deduction (7,350.00), your exemption (2,800.00), and your spouse's exemption (2,800.00).

Mailing return

Mail your return by **April 16, 2001**. Use the envelope that came with your booklet. If you do not have that envelope, see page 32 for the address to use.

Paid preparer's use only

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income received during the tax year. This declaration is based on all information of which I have any knowledge.

See page 21.

Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶		EIN	:
		Phone no. ()	



For the year Jan. 1–Dec. 31, 2000, or other tax year beginning , 2000, ending , 20 OMB No. 1545-0074

Label

(See instructions on page 19.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign (See page 19.)

Form with fields for Name, Social Security Number, Home address, and City/State/ZIP code.

Fields for Your social security number and Spouse's social security number.

Important! You must enter your SSN(s) above.

Fields for Presidential Election Campaign: You and Spouse Yes/No.

Filing Status

Check only one box.

- 1 Single
2 Married filing joint return (even if only one had income)
3 Married filing separate return. Enter spouse's social security no. above and full name here.
4 Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 Qualifying widow(er) with dependent child (year spouse died). (See page 19.)

Exemptions

If more than six dependents, see page 20.

Exemptions section including 6a Yourself, 6b Spouse, 6c Dependents table, and 6d Total number of exemptions claimed.

Income

Attach Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 21.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Income section with lines 7 through 22, including wages, interest, dividends, and total income.

Adjusted Gross Income

Adjusted Gross Income section with lines 23 through 33, including deductions and total adjusted gross income.

Tax and Credits

Standard Deduction for Most People

Single: \$4,400
Head of household: \$6,450
Married filing jointly or Qualifying widow(er): \$7,350
Married filing separately: \$3,675

34 Amount from line 33 (adjusted gross income)
35a Check if: You were 65 or older, Blind; Spouse was 65 or older, Blind.
36 Enter your itemized deductions from Schedule A, line 28, or standard deduction shown on the left.
37 Subtract line 36 from line 34
38 If line 34 is \$96,700 or less, multiply \$2,800 by the total number of exemptions claimed on line 6d.
39 Taxable income. Subtract line 38 from line 37.
40 Tax (see page 32). Check if any tax is from a Form(s) 8814 b Form 4972
41 Alternative minimum tax. Attach Form 6251
42 Add lines 40 and 41
43 Foreign tax credit. Attach Form 1116 if required
44 Credit for child and dependent care expenses. Attach Form 2441
45 Credit for the elderly or the disabled. Attach Schedule R
46 Education credits. Attach Form 8863
47 Child tax credit (see page 36)
48 Adoption credit. Attach Form 8839
49 Other. Check if from a Form 3800 b Form 8396 c Form 8801 d Form (specify)
50 Add lines 43 through 49. These are your total credits
51 Subtract line 50 from line 42. If line 50 is more than line 42, enter -0-

Table with columns for line numbers (34-51) and shaded cells for lines 34, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51.

Other Taxes

52 Self-employment tax. Attach Schedule SE
53 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137
54 Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required
55 Advance earned income credit payments from Form(s) W-2
56 Household employment taxes. Attach Schedule H
57 Add lines 51 through 56. This is your total tax

Table with columns for line numbers (52-57) and shaded cells for lines 52, 53, 54, 55, 56, 57.

Payments

If you have a qualifying child, attach Schedule EIC.

58 Federal income tax withheld from Forms W-2 and 1099
59 2000 estimated tax payments and amount applied from 1999 return
60a Earned income credit (EIC)
60b Nontaxable earned income: amount and type
61 Excess social security and RRTA tax withheld (see page 50)
62 Additional child tax credit. Attach Form 8812
63 Amount paid with request for extension to file (see page 50)
64 Other payments. Check if from a Form 2439 b Form 4136
65 Add lines 58, 59, 60a, and 61 through 64. These are your total payments

Table with columns for line numbers (58-65) and shaded cells for lines 58, 59, 60a, 61, 62, 63, 64, 65.

Refund

Have it directly deposited! See page 50 and fill in 67b, 67c, and 67d.

66 If line 65 is more than line 57, subtract line 57 from line 65. This is the amount you overpaid
67a Amount of line 66 you want refunded to you
67b Routing number
67c Type: Checking Savings
67d Account number
68 Amount of line 66 you want applied to your 2001 estimated tax

Table with columns for line numbers (66-68) and shaded cells for lines 66, 67a, 67b, 67c, 67d, 68.

Amount You Owe

69 If line 57 is more than line 65, subtract line 65 from line 57. This is the amount you owe. For details on how to pay, see page 51
70 Estimated tax penalty. Also include on line 69

Table with columns for line numbers (69-70) and shaded cells for lines 69, 70.

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See page 19. Keep a copy for your records.

Your signature, Date, Your occupation, Daytime phone number, Spouse's signature, Date, Spouse's occupation, May the IRS discuss this return with the preparer shown below (see page 52)? Yes No

Paid Preparer's Use Only

Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name (or yours if self-employed), address, and ZIP code, EIN, Phone no.

		2000 Tax Tables		10,000	
10,000	10,050	1,504	1,504	1,504	1,504
10,050	10,100	1,511	1,511	1,511	1,511
10,100	10,150	1,519	1,519	1,519	1,519
10,150	10,200	1,526	1,526	1,526	1,526
10,200	10,250	1,534	1,534	1,534	1,534
10,250	10,300	1,541	1,541	1,541	1,541
10,300	10,350	1,549	1,549	1,549	1,549
10,350	10,400	1,556	1,556	1,556	1,556
10,400	10,450	1,564	1,564	1,564	1,564
10,450	10,500	1,571	1,571	1,571	1,571
10,500	10,550	1,579	1,579	1,579	1,579
10,550	10,600	1,586	1,586	1,586	1,586
10,600	10,650	1,594	1,594	1,594	1,594
10,650	10,700	1,601	1,601	1,601	1,601
10,700	10,750	1,609	1,609	1,609	1,609
10,750	10,800	1,616	1,616	1,616	1,616
10,800	10,850	1,624	1,624	1,624	1,624
10,850	10,900	1,631	1,631	1,631	1,631
10,900	10,950	1,639	1,639	1,639	1,639
10,950	11,000	1,646	1,646	1,646	1,646
		2000 Tax Tables		11,000	
11,000	11,050	1,654	1,654	1,654	1,654
11,050	11,100	1,661	1,661	1,661	1,661
11,100	11,150	1,669	1,669	1,669	1,669
11,150	11,200	1,676	1,676	1,676	1,676
11,200	11,250	1,684	1,684	1,684	1,684

11,250	11,300	1,691	1,691	1,691	1,691
11,300	11,350	1,699	1,699	1,699	1,699
11,350	11,400	1,706	1,706	1,706	1,706
11,400	11,450	1,714	1,714	1,714	1,714
11,450	11,500	1,721	1,721	1,721	1,721
11,500	11,550	1,729	1,729	1,729	1,729
11,550	11,600	1,736	1,736	1,736	1,736
11,600	11,650	1,744	1,744	1,744	1,744
11,650	11,700	1,751	1,751	1,751	1,751
11,700	11,750	1,759	1,759	1,759	1,759
11,750	11,800	1,766	1,766	1,766	1,766
11,800	11,850	1,774	1,774	1,774	1,774
11,850	11,900	1,781	1,781	1,781	1,781
11,900	11,950	1,789	1,789	1,789	1,789
11,950	12,000	1,796	1,796	1,796	1,796

2000 Tax Tables 12,000

12,000	12,050	1,804	1,804	1,804	1,804
12,050	12,100	1,811	1,811	1,811	1,811
12,100	12,150	1,819	1,819	1,819	1,819
12,150	12,200	1,826	1,826	1,826	1,826
12,200	12,250	1,834	1,834	1,834	1,834
12,250	12,300	1,841	1,841	1,841	1,841
12,300	12,350	1,849	1,849	1,849	1,849
12,350	12,400	1,856	1,856	1,856	1,856
12,400	12,450	1,864	1,864	1,864	1,864
12,450	12,500	1,871	1,871	1,871	1,871
12,500	12,550	1,879	1,879	1,879	1,879
12,550	12,600	1,886	1,886	1,886	1,886

12,600	12,650	1,894	1,894	1,894	1,894
12,650	12,700	1,901	1,901	1,901	1,901
12,700	12,750	1,909	1,909	1,909	1,909
12,750	12,800	1,916	1,916	1,916	1,916
12,800	12,850	1,924	1,924	1,924	1,924
12,850	12,900	1,931	1,931	1,931	1,931
12,900	12,950	1,939	1,939	1,939	1,939
12,950	13,000	1,946	1,946	1,946	1,946

2000 Tax Tables	13,000
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13,000	13,050	1,954	1,954	1,954	1,954
13,050	13,100	1,961	1,961	1,961	1,961
13,100	13,150	1,969	1,969	1,969	1,969
13,150	13,200	1,976	1,976	1,976	1,976
13,200	13,250	1,984	1,984	1,984	1,984
13,250	13,300	1,991	1,991	1,991	1,991
13,300	13,350	1,999	1,999	1,999	1,999
13,350	13,400	2,006	2,006	2,006	2,006
13,400	13,450	2,014	2,014	2,014	2,014
13,450	13,500	2,021	2,021	2,021	2,021
13,500	13,550	2,029	2,029	2,029	2,029
13,550	13,600	2,036	2,036	2,036	2,036
13,600	13,650	2,044	2,044	2,044	2,044
13,650	13,700	2,051	2,051	2,051	2,051
13,700	13,750	2,059	2,059	2,059	2,059
13,750	13,800	2,066	2,066	2,066	2,066
13,800	13,850	2,074	2,074	2,074	2,074
13,850	13,900	2,081	2,081	2,081	2,081
13,900	13,950	2,089	2,089	2,089	2,089
13,950	14,000	2,096	2,096	2,096	2,096

2000 Tax Tables		14,000			
14,000	14,050	2,104	2,104	2,104	2,104
14,050	14,100	2,111	2,111	2,111	2,111
14,100	14,150	2,119	2,119	2,119	2,119
14,150	14,200	2,126	2,126	2,126	2,126
14,200	14,250	2,134	2,134	2,134	2,134
14,250	14,300	2,141	2,141	2,141	2,141
14,300	14,350	2,149	2,149	2,149	2,149
14,350	14,400	2,156	2,156	2,156	2,156
14,400	14,450	2,164	2,164	2,164	2,164
14,450	14,500	2,171	2,171	2,171	2,171
14,500	14,550	2,179	2,179	2,179	2,179
14,550	14,600	2,186	2,186	2,186	2,186
14,600	14,650	2,194	2,194	2,194	2,194
14,650	14,700	2,201	2,201	2,201	2,201
14,700	14,750	2,209	2,209	2,209	2,209
14,750	14,800	2,216	2,216	2,216	2,216
14,800	14,850	2,224	2,224	2,224	2,224
14,850	14,900	2,231	2,231	2,231	2,231
14,900	14,950	2,239	2,239	2,239	2,239
14,950	15,000	2,246	2,246	2,246	2,246