

Lesson Plan

Taxable Income

 30 minutes

Prerequisite: Tax Simulation: Understanding Taxes™ (Recommended)



OBJECTIVES

Students will be able to...

- Understand the importance of filing taxes.
- Understand the steps and requirements for preparing taxes.

MATERIALS

In-Person Lesson

- Paper and writing utensils
- Printed student handout

Virtual Lesson

- Computers, tablets, or laptops
- Student handouts delivered via online learning platform

STANDARDS ADDRESSED

Jump\$tart National Standards for Personal Financial Education (2021)

- Earning Income 12-7a. Investigate the federal and state tax rates applicable to different sources of income.

NOTES

SECTION	DESCRIPTION	FORMAT	DURATION
Discussion	Discuss the learning from the digital lesson: • Why do we pay taxes? • How do you feel about having taxes pulled out of a paycheck? • How would you describe the process of filing taxes? Inform students that this lesson will explore different income-generating activities that are taxable.	Virtual: Discuss with a partner or in a virtual breakout room. Share with the class via chat or unmuting. In-Person: Discuss with a partner. Share with the class.	3 mins

SECTION	DESCRIPTION	FORMAT	DURATION
Activity	Share this IRS website and accompanying worksheet with students. Instruct students to explore the list of income earning activities that are taxable and complete the accompanying worksheet. Students must select 5–8 types of taxable income activities that they may be involved in now and in the future. They must also do the same for 5–8 income activities that will not involve them. In pairs or in small groups, have students share the taxable activities that they know they will be involved in and the discussion questions at the bottom of their worksheet.	Virtual: Share in small groups. Present in virtual breakout rooms. In-Person: Share in small groups. Present in small groups.	25 mins

SECTION	DESCRIPTION	FORMAT	DURATION
	Discuss the insight that they learned from the IRS website and the reactions that students had to understanding more about types of taxable income. Pay particular attention to types of taxable income that were surprising to your students. <i>Note: Highlight the fact that tax amounts will vary based on the amount that you earn in each of these income-generating activities.</i>	Virtual: Discuss as a class via chat or unmuting. In-Person: Discuss as a class.	
Exit Ticket	Ask students to share any additional questions or the biggest takeaway from this lesson for them.	Assess individually.	2 mins

Lesson Links

“Taxable Income” (IRS): <https://www.irs.gov/filing/taxable-income>

LEARNERS NEEDING SUPPORT

LEARNERS READY FOR EXTENSIONS

NOTES FOR NEXT TIME