

3rd Lesson Plan:

Taxes: Where do They Come From, Where Do They Go?

- 1) We will start by performing a task to earn money. The students will have to brainstorm and fill out a chart about federal/state/local government spending, and federal/state/local government income sources

Federal Gov't Goods & Services	State Gov't Goods & Services	Local Gov't Goods & Services
National Defense/Military Food/Safety Net Programs Social Security/Veterans Benefits Healthcare Scientific Research & Development Higher Education Financial Aid Transportation/National Highways Federal Courts & Prisons National Parks & Museums (Mesa Verde, Sand Dunds, RMNP, Air & Space, Smithsonian)	Police Protection Colleges Public Utilities – water, electric Transportation Sports Stadiums State Courts & Jails State Parks (Rifle Falls, Cheyenne Mtn, Sylvan Lake)	Police Protection Elementary & Secondary Schools Public Utilities – water, sewer, trash Transportation Police & Fire Stations Sports Fields Playgrounds (Rainbow, Trent, fishing ponds)
Federal Gov't Revenues	State Gov't Revenues	Local Gov't Revenues
Income Tax Social Security & Medicare Tax Cigarette/Tobacco Tax Park & Museum Fees Gas Tax	Income Tax Sales Tax Ticket Sales Traffic Tickets Motor Vehicle Fees	Sales Tax Property Tax Gas, Lodging Tax Parking & Speeding Tickets

- 2) As “pay” for completing their work, each child will receive 10 candies/paperclips, etc.
- 3) They will then have to pay their taxes from their paychecks
 - a. 4 to federal gov't
 - b. 1 to state gov't
 - c. 1 to local gov't
- 4) As I take their tax payments, we'll look at page 2 of the handout to show where that money goes as a %

NAME: _____

DATE: _____

TIC TAC TAXES ACTIVITY SHEET

What are the main goods and services each level of government provides to its citizens? List them below.

Federal Government Goods and Services	State Government Goods and Services	Local Government Goods and Services

Where do governments get the money to pay for all these goods and services? When you list taxes, be specific.

Federal Government Revenues	State Government Revenues	Local Government Revenues
Primary Source of Revenue	Primary Source of Revenue	Primary Source of Revenue
Other Sources	Other Sources	Other Sources

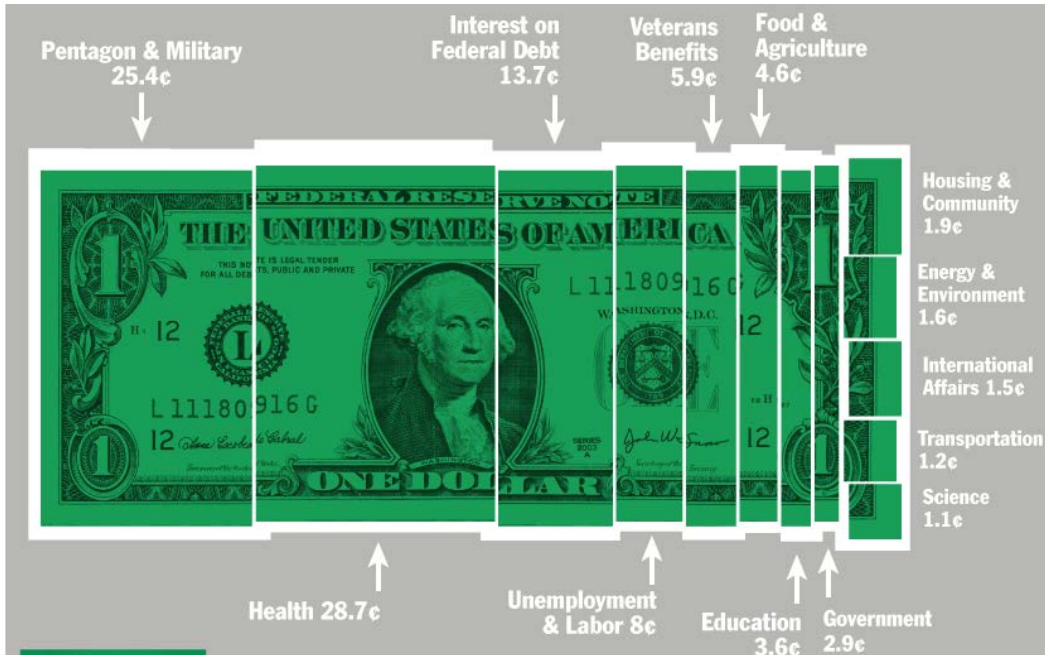
Refer to "The Economics of Taxation" (<http://www.treas.gov/education/fact-sheets/taxes/economics.html>)

If you make \$10, how much do you get to keep, after taxes?

\$10.00, less:
\$3.00 – Federal taxes
\$.77 – Social Security & Medicare taxes
\$.50 – State taxes
\$.50 – Local taxes (property, school)
\$.80 – Sales Tax
\$4.43 Dollars left in your pocket after earning \$10!

Where does that money go?

If you pay federal taxes, how is that money spent by the federal government?



If you pay state/local taxes, how is that money spent by the state government?

