

SOCIAL STUDIES
Economics
Grade 8
All About Taxes

Lesson Components:

Benchmark(s)

- C-1A-M9 explaining the necessity of taxes and describing the purposes for which tax revenues are used
- C-1A-M10 identifying and evaluating different types of taxes
- C-1D-M2 identifying the responsibilities of citizens and explaining their importance to the individual and to society
- E-1B-M5 identifying different types of taxes and user fees and predicting their consequences
- H-1B-M6 explaining the causes and course of the American Revolution and the reasons for the American victory
- H-1B-M8 relating the institutions and practice of government established during and after the American Revolution to the foundation of the American political system

Key Concepts

Purpose and types of taxes, paying taxes, types of taxes and user fees

Lesson Duration

Three days

Purpose/Introduction

See individual lessons attached

Objectives

1. Explain why taxes are needed and purposes for which tax monies/revenues are used. (C-1A-M9)
2. Identify the likely source of public funding to address given needs. (C-1A-M9)
3. Identify types of taxes collected by the local, state, or federal government (e.g., Social Security tax, federal/state income tax, sales tax, tariffs). (C-1A-M10)
4. Evaluate a type of tax in an historical context (e.g., why England felt the Stamp Act and Tea Tax were necessary and why they led to the American Revolution). (C-1A-M10, H-1B-M6, H-1B-M8)

5. Identify the rights and responsibilities of citizens in regard to paying taxes and explaining their importance to the individual and to society. (C-1D-M2)
6. Identify various types of taxes and user fees and predict their consequences (e.g., Social Security tax; income, sales, or property tax; tariffs; road tolls, entrance fees to National parks). (E-1B-M5)

Prior Knowledge/Pre-requisites

A basic understanding of the concept of taxes and government revenue

A basic understanding of budgets and the budgeting process

A general understanding of the English colonial period and Early National Period of U. S. history

A general understanding of rights and responsibilities of Americans

Materials/Resources

Student textbooks, student notebooks, student LEAP folders, copy of U. S. Individual Income Tax Form 1040, Louisiana State Income Tax Form, pictures of various projects funded by taxes

Teacher Preparation

The teacher should be familiar with the concepts of taxes and government revenue; the purposes of taxes; the importance of raising revenue for government; the various types of taxes, user fees, and other forms of federal, state, and local government revenue; and the historic record of taxes in the history of the United States.

Body of the Lesson

See overview of the unit on “Financing Federal, State, and Local Governments” and in the individual lessons on this topic.

AMERICAN HISTORY/LOUISIANA HISTORY

FINANCING NATIONAL, STATE AND LOCAL GOVERNMENTS

Objectives:

1. The student will be able to discuss the purposes for taxes and their importance to the individual and to society. (C-1A-M9, C-1D-M2)
2. The student will be able to explain the rights and responsibilities of citizens to pay taxes for the support of the government and public services. (C-1D-M2)
3. The student will be able to cite examples of how taxes had an impact on the history and development of the United States. (C-1A-M10, H-1B-M6, H-1B-M8)
4. The student will be able to evaluate the sources of taxes and other revenue of federal, state, and local governments. (E-1B-M5)
5. The student will be able to distinguish between federal, state, and local forms of revenue. (E-1B-M5)
6. The student will be able to list several types of federal, state, and local taxes and other forms of revenue. (C-1A-M10, E-1B-M5)

Content Outline:

- The concepts of taxes and revenue
- The purposes of taxes and revenue and their importance to the individual and to society (C-1A-M9, C-1D-M2)
- Rights and responsibilities of citizens to pay taxes for the support of the government and public services (C-1D-M2)
- The impact of the issue of taxes on the development of the United States (C-1A-M10)
- Taxes that had a major influence on the history of the United States— Stamp Act of 1765, Tea Act of 1773, Whiskey Tax of 1794 (C-1A-M10)
- Major types of federal, state, and local taxes: (C-1A-M10, E-1B-M5)
- Federal taxes: income, excise, gift, estate (inheritance), and Social Security taxes; and tariffs
- State taxes: income, sales, excise, property, inheritance, and severance taxes

- Local (parish and/or city) taxes: sales and property taxes
- Other types of federal, state, and local revenue: (C-1A-M10, E-1B-M5)
- User fees, federal grants, revenue sharing, matching funds, bonds, special taxes, borrowing money
- Ways in which federal, state, and local taxes and other revenue are used in the local area

Lesson 1:

Benchmarks: C-1A-M9, C-1A-M10, C-1D-M2, H-1B-M6, H-1B-M8

Lesson Outline:

- The concepts of taxes and revenue
- The purposes of taxes and revenue and their importance to the individual and to society (C-1A-M9, C-1D-M2)
- Rights and responsibilities of citizens to pay taxes for the support of the government and public services C-1D-M2)
- The impact of the issue of taxes on the development of the United States (C-1A-M10)
- Taxes that had a major influence on the history of the United States—Stamp Act of 1765, Tea Act of 1773, Whiskey Tax of 1794

Objectives:

1. The student will be able to discuss the purposes for taxes and their importance to the individual and to society. (C-1A-M9, C-1D-M2)
2. The student will be able to explain the rights and responsibilities of citizens to pay taxes for the support of the government and public services. (C-1D-M2)
3. The student will be able to cite examples of how taxes had an impact on the history and development of the United States. (C-1A-M10)

Procedures:

Whole group discussion of the concepts of taxes and revenue, the purposes of taxes and revenue, the importance of revenue for American society, rights and responsibilities to pay taxes, and the historical impact of taxes on the United States

Identify the following:

Terms--taxes, revenue

Laws-- Stamp Act of 1765, Tea Act of 1773, Whiskey Tax of 1794

Students will express their views on the allocation of public funds for various public services and programs, and compare their views with the present method of allocations. (C-1A-M10)

Students will divide into groups of four, and discuss the importance of paying taxes for the support of various public services and programs. Each group will present one report to the class on citizens who fulfill their duties and one report on those who do not. (C-1D-M2) These reports will be placed in a group booklet on "Financing Federal, State, and Local Governments."

Copy review questions into LEAP folders

Materials:

Student textbooks; student notebooks; student LEAP folders

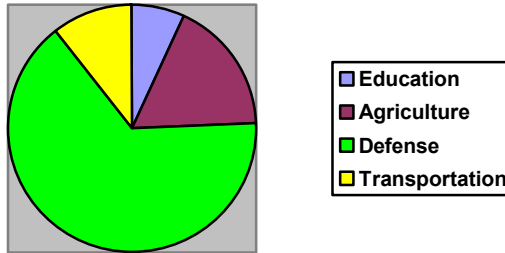
Evaluation/Assignment:

Students will bring in pictures tomorrow of various buildings, services, etc. that are funded by federal, state, and/or local revenue.

Whole class review of today's lesson

Students will copy the following questions into their LEAP folders and answer them for homework:

1. For which of the following would public tax money **most likely** be used?
 - A. to buy a farm
 - B. to construct a road
 - C. to pay a bank teller's salary
 - D. to purchase stock in a corporation
2. Using the graph below, which of the following would be the greatest expense by the national or federal government?



- A. building highways
 - B. constructing schools
 - C. irrigating farmland
 - D. protecting Americans
3. Which of the following is a major legal duty and responsibility of citizens of the United States?
 - A. to run for public office
 - B. to pay taxes
 - C. to hold a job
 - D. to own a business

4. Use the headlines to answer the following questions:

**COLONISTS DECLARE
“NO TAXATION WITHOUT REPRESENTATION”**

**COLONISTS DUMP TEA INTO BOSTON HARBOR
TO PROTEST NEW TAX ON TEA**

**WASHINGTON LEADS ARMY AGAINST
WHISKEY TAX REBELS**

- A. Place a check in one of the headline boxes above.
- B. What was the main issue concerning the box that you checked?
- C. How was this tax issue settled?

Lesson 2:

Benchmarks: C-1A-M10, E-1B-M5

Lesson Outline:

- Major types of federal, state, and local taxes: (C-1A-M10, E-1B-M5)
 - Federal taxes: income, excise, gift, estate (inheritance) and Social Security taxes; and tariffs
 - State taxes: income, sales, excise, property, inheritance, and severance taxes
 - Local (parish and/or city) taxes: sales and property taxes
- Other types of federal, state, and local revenue: (C-1A-M10, E-1B-M5)
- User fees, federal grants, revenue sharing, matching funds, bonds, special taxes, borrowing money
- Ways in which federal, state, and local taxes and other revenue are used In the local area

Objectives:

1. The student will be able to evaluate the sources of taxes and other revenue of federal, state, and local governments. (E-1B-M5)
2. The student will be able to distinguish between federal, state, and local forms of revenue. (E-1B-M5)
3. The student will be able to list several types of federal, state, and local taxes and other forms of revenue. (C-1A-M10, E-1B-M5)

Procedures:

Whole group discussion of major types of federal, state, and local taxes and other types of government revenue, and ways in which taxes and revenue are used in the local area

Identify the following:

Terms — income taxes, excise taxes, gift tax, Social Security taxes, tariffs, sales taxes, property taxes, inheritance, and severance taxes

Distribute copies of the U. S. Individual Income Tax Form 1040 and the Louisiana State Income Tax Form to students, and conduct a very brief and general presentation on them.

Materials:

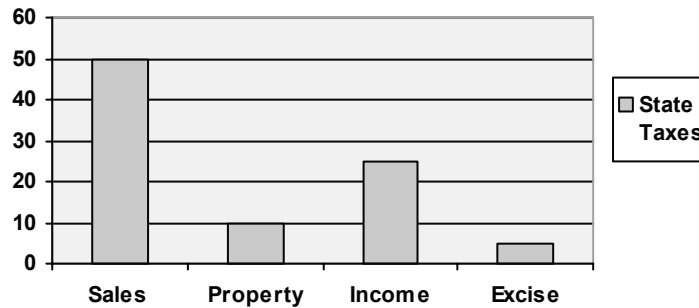
Student textbooks; student notebooks; copy of U. S. Individual Income Tax Form 1040, Louisiana State Income Tax Form; and pictures of various projects, etc. funded by federal, state, or local taxes; student LEAP folders

Evaluation/Assignment:

Whole class review of today's lesson

Students will copy the following questions into their LEAP folders and answer them for homework:

1. Using the graph below, which of the following is the largest source of taxes for state revenue in Louisiana:



- A. Sales Taxes
 - B. Property Taxes
 - C. Income Taxes
 - D. Excise Taxes
2. Which of the following would be a state or local government way to raise revenue, but is **not** a tax used by the national government:
 - A. Income tax
 - B. Excise tax
 - C. Inheritance tax
 - D. Sales tax
 3. A tax on specific goods such as gasoline, tobacco, and soft drinks is:
 - A. an income tax
 - B. a gift tax
 - C. an excise tax
 - D. a severance tax
 4. A state tax placed on a mineral that is taken from the ground is:
 - A. an income tax
 - B. a gift tax
 - C. an excise tax
 - D. a severance tax

5. Your town has decided to build a public hospital and must decide on the best way to fund its construction. Use the following information to answer the questions below:

Possible Sources of Funding	
User Fees	Federal Grants
Excise Taxes	Severance Taxes
Sales Taxes	Estate Taxes
Property Taxes	Bonds

- A. Circle three of the forms of revenue in the box above.
- B. How could each of the three forms of revenue that you circled be used to fund the hospital?
- C. Which citizens in your town might be opposed to your three sources for funding the hospital? Why?

Lesson 3:

Benchmarks: C-1A-M10, E-1B-M5

Objectives:

1. Students will be able to distinguish between federal, state, and local forms of revenue. (E-1B-M5)
2. The student will be able to list several types of federal, state, and local taxes and other forms of revenue. (C-1A-M10, E-1B-M5)

Procedures:

Discuss answers to yesterday's LEAP review questions.

Students will create an individual chart in which they will identify various taxes collected by federal, state, and local governments. (C-1A-M10) They will then create a group chart and include it within their group booklet on "Financing Federal, State, and Local Governments."

Students will divide into their groups and complete their booklets. They will add their pictures of buildings, services, etc., that are funded by federal, state, or local taxes.

Evaluation:

Group booklets will be graded and placed on display within the classroom.