ECONOMICS: Ch. 16 - Government Spends, Collects & Owes Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Paying Taxes 2018** Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Hour\_\_\_\_\_

2018 Federal Tax Rates for Single Filers

|  |  |
| --- | --- |
| **Taxable Income** | **Tax Rate** |
| $0 – $9,525 | **10%** of taxable income |
| $9,526 – $38,700 | $952.50 plus **12%** of the amount over $9,525 |
| $38,701 – $82,500 | $4,453.50 plus **22%** of the amount over $38,700 |
| $82,501 – $157,500 | $14,089.50 plus **24%** of the amount over $82,500 |
| $157,501 – $200,000 | $32,089.50 plus **32%** of the amount over $157,500 |
| $200,001 – $500,000 | $45,689.50 plus **35%** of the amount over $200,000 |
| $500,001 or more | $150,689.50 plus **37%** of the amount over $500,000 |

*Use the table above to calculate the tax owed on each of the following incomes.*

Federal tax owed Michigan tax owed

1. $15,000 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. $45,000 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. $98,000 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. $175,000 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. $250,000 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. $1,000,000 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. What is Michigan’s income tax rate? \_\_\_\_\_\_\_\_\_\_\_\_\_ Calculate the income tax owed to Michigan for each above.

*Sales tax various by state and some states do not tax certain items such as food.*

8. What is Michigan’s sales tax rate? \_\_\_\_\_\_\_\_\_\_\_\_\_\_

9. Find the sales tax rate for another state. State: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Rate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

10. List five items you might buy and calculate the sales tax you would pay for each in Michigan and your other state.

Michigan sales tax \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_sales tax

Item 1: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Item 2: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Item 3: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Item 4: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Item 5: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

11. Describe another tax that you might pay.

12. Find a state that does not charge a sales tax or one that does not charge an income tax.