

Introduction to Income Tax

Program Name Middletown ABLE

Staff Responsible for Lesson Lourdes Cordero

Technology	Study / Life skills	EL-Civics	Career Pathways	Police	Paramedic	Fire Rescue	Medical Asst.	EKG / Cardio	Phlebotomy	Practical Nursing	Healthcare	Admin	Pharmacy Tech	IMT	AMT	HVAC	Welding	Other:
		X																
Date(s) Used				January 18, 2011														
Civics Category				III. U.S. History and Government and Citizenship Preparation II. Civic Participation														
Civics Objective				4. Government and Law - Identify, access, and complete applications to agencies that provide identification cards and/or other services such as the BMV, social security, and immigration. 25. Employment – Resources - Identify, describe, select, and access free or low-cost employment related services.														
Time Frame to Complete Lesson				1 to 2 hours														
EFL(s)				Levels 1-2														
Standard(s)/Components of Performance				Read with Understanding														
Benchmark(s)				R.1.2. – R.2.2. Use strategies to understand text. R.1.4. Recognize important personal information in print. R.1.6. - R.2.6 Complete a task.														
Materials				<ul style="list-style-type: none"> ○ 1040-EZ Tax form available from: http://www.irs.gov/pub/irs-pdf/f1040ez.pdf ○ Vocabulary list available from: http://www.rpi.edu/web/iss/Taxes/tax_vocab.html ○ Bilingual dictionaries 														
Activities				<ul style="list-style-type: none"> ○ Step 1 – The teacher asks the students what income tax is and who must file income taxes. ○ Step 2 – The teacher presents the vocabulary list for the tax form. ○ Step 3 – Students use bilingual dictionaries to look up vocabulary and/or definitions in order to clarify understanding. 														

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	<ul style="list-style-type: none">○ Step 4 – The teacher distributes the tax forms. Students look over the tax forms by themselves and locate (circle or highlight) the vocabulary words they have learned. Then, the students find a partner and compare the vocabulary. Then, the pairs find a third partner and work to understand the whole sentences containing the vocabulary words on the tax form.○ Step 5 – Groups present to the class their understanding of the tax forms.○ Step 6 - The teacher clarifies the vocabulary and tax forms and answer students' questions.
Assessment/ Evidence	Students' explanations of the vocabulary and tax forms.
Reflection	The students enjoyed learning about taxes through the game-style exercise.

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Tax Vocabulary

Alien: generally, any person who is not a U.S. citizen.

Student: person temporarily in the U.S. on an F, J, Q, or M visa.

Teacher or Trainee: person who is not a student & who is temporarily in the U.S. on a J or Q visa.

Dependents: generally, spouse and children living in the same home.

Compensation/Earnings: wages, salaries, tips.

Income: wages, salaries, tips, interest, dividends, some scholarships/fellowship grants.

IRS: Internal Revenue Service

Income Tax Return: statement filed (submitted) by individual taxpayer to the IRS or State of New York.

Withholding: U.S. income tax automatically taken from your paycheck.

Exempt Individual: person who does not have to count days of presence in the U.S.

Effectively Connected Income: All income, gain or loss from U.S. sources. This pertains to F, J, Q and M visa holders.

Standard Deduction: standard amount that individuals may subtract from income when calculating taxes owed.

Itemized Deductions: additional amount that individuals may subtract from income when calculating taxes owed. Example: charitable contributions, state and local tax withheld, etc.

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Department of the Treasury—Internal Revenue Service

Form
1040EZ

Income Tax Return for Single and Joint Filers With No Dependents (99)

2010

OMB No. 1545-0074

<p>Name, Address, and SSN</p> <p>See separate instructions.</p> <p>Presidential Election Campaign (see page 9)</p>	P	Your first name and initial	Last name		Your social security number
	R	If a joint return, spouse's first name and initial	Last name		Spouse's social security number
	I	Home address (number and street). If you have a P.O. box, see instructions.	Apt. no.		▲ Make sure the SSN(s) above are correct. ▲
	N	City, town or post office, state, and ZIP code. If you have a foreign address, see instructions.			Checking a box below will not change your tax or refund.
	C				
	L				
	E				
	A				
	R				
	L				
	L				
	Y				

Check here if you, or your spouse if a joint return, want \$3 to go to this fund . . . **You** **Spouse**

Income	1	Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1	
Attach Form(s) W-2 here.	2	Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.	2	
Enclose, but do not attach, any payment.	3	Unemployment compensation and Alaska Permanent Fund dividends (see page 11).	3	
	4	Add lines 1, 2, and 3. This is your adjusted gross income .	4	
You may be entitled to a larger deduction if you file Form 1040A or 1040. See <i>Before You Begin</i> on page 4.	5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. <input type="checkbox"/> You <input type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$9,350 if single ; \$18,700 if married filing jointly . See back for explanation.	5	
	6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income .	6	
Payments, Credits, and Tax	7	Federal income tax withheld from Form(s) W-2 and 1099.	7	
	8	Making work pay credit (see worksheet on back).	8	
	9a	Earned income credit (EIC) (see page 13).	9a	
	b	Nontaxable combat pay election. 9b		
	10	Add lines 7, 8, and 9a. These are your total payments and credits .	10	
	11	Tax. Use the amount on line 6 above to find your tax in the tax table on pages 27 through 35 of the instructions. Then, enter the tax from the table on this line.	11	
Refund	12a	If line 10 is larger than line 11, subtract line 11 from line 10. This is your refund . If Form 8888 is attached, check here <input type="checkbox"/>	12a	
	b	Routing number 		c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
	d	Account number 		
Amount You Owe	13	If line 11 is larger than line 10, subtract line 10 from line 11. This is the amount you owe . For details on how to pay, see page 19.	13	

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see page 20)? **Yes**. Complete the following. **No**

Designee's name	Phone no.	Personal identification number (PIN)
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Sign Here 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 I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name	Firm's EIN		Firm's EIN	
Firm's address	Phone no.			

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**Worksheet
for Line 5 —
Dependents
Who Checked
One or Both
Boxes**

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married filing jointly) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, see Pub. 501.

A. Amount, if any, from line 1 on front	+ <u>300.00</u>	Enter total ▶	
B. Minimum standard deduction			A. _____
C. Enter the larger of line A or line B here			B. <u>950.00</u>
D. Maximum standard deduction. If single , enter \$5,700; if married filing jointly , enter \$11,400			C. _____
E. Enter the smaller of line C or line D here. This is your standard deduction			D. _____
F. Exemption amount.			E. _____
• If single, enter -0-.			} F. _____
• If married filing jointly and —			
—both you and your spouse can be claimed as dependents, enter -0-.			
—only one of you can be claimed as a dependent, enter \$3,650.			
G. Add lines E and F. Enter the total here and on line 5 on the front			G. _____

(keep a copy for your records)

If you did not check any boxes on line 5, enter on line 5 the amount shown below that applies to you.

- Single, enter \$9,350. This is the total of your standard deduction (\$5,700) and your exemption (\$3,650).
- Married filing jointly, enter \$18,700. This is the total of your standard deduction (\$11,400), your exemption (\$3,650), and your spouse's exemption (\$3,650).

**Worksheet
for Line 8 —
Making Work
Pay Credit**

Before you begin: ✓ If you can be claimed as a dependent on someone else's return, you **do not** qualify for this credit.
 ✓ If married filing jointly, include your spouse's amounts with yours when completing this worksheet.

Use this worksheet to figure the amount to enter on line 8 if you cannot be claimed as a dependent on another person's return.

(keep a copy for your records)

1a. Important. See the instructions on page 12 if (a) you received a taxable scholarship or fellowship grant not reported on a Form W-2, (b) your wages include pay for work performed while an inmate in a penal institution, or (c) you received a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan. Do you (and your spouse if filing jointly) have 2010 wages of more than \$6,451 (\$12,903 if married filing jointly)?

Yes. Skip lines 1a through 3. Enter \$400 (\$800 if married filing jointly) on line 4 and go to line 5.

No. Enter your earned income (see instructions) **1a.** _____

b. Nontaxable combat pay included on line 1a (see instructions) **1b.** _____

2. Multiply line 1a by 6.2% (.062) **2.** _____

3. Enter \$400 (\$800 if married filing jointly) **3.** _____

4. Enter the **smaller** of line 2 or line 3 (unless you checked "Yes" on line 1a) **4.** _____

5. Enter amount from Form 1040EZ, line 4 (on front) **5.** _____

6. Enter \$75,000 (\$150,000 if married filing jointly) **6.** _____

7. Is the amount on line 5 more than the amount on line 6?

No. Skip line 8. Enter the amount from line 4 on line 9 below.

Yes. Subtract line 6 from line 5. **7.** _____

8. Multiply line 7 by 2% (.02) **8.** _____

9. Subtract line 8 from line 4. If zero or less, enter -0- **9.** _____

10. Did you (or your spouse, if filing jointly) receive an economic recovery payment in **2010**? You may have received this payment in 2010 if you did not receive an economic recovery payment in 2009 but you received social security benefits, supplemental security income, railroad retirement benefits, or veterans disability compensation or pension benefits in November 2008, December 2008, or January 2009 (see instructions).

No. Enter -0- on line 10 and go to line 11.

Yes. Enter the total of the payments you (and your spouse, if filing jointly) received in **2010**. Do not enter more than \$250 (\$500 if married filing jointly). **10.** _____

11. Making work pay credit. Subtract line 10 from line 9. If zero or less, enter -0-. Enter the result here and on Form 1040EZ, line 8. **11.** _____

**Mailing
Return**

Mail your return by **April 18, 2011**. Mail it to the address shown on the last page of the instructions.