



GRADE 6+

Understanding Taxes | Lesson Plan

What are taxes and how can you be a responsible taxpayer?

Students learn about taxes, the types of taxes people pay, and the actions to take as responsible taxpayers.

Learning Objectives:

- Understand what taxes are and how they work.
- Define key terms associated with taxes, including federal income tax, payroll tax, sales tax, deductions, and credits.
- Explore different types of taxes and what they are used for.
- Discover actions to take as a responsible taxpayer.

Key Vocabulary:

- Federal income tax: tax paid by employee to the government
- Payroll tax: tax paid by employee and employer to the government
- Sales tax: tax paid on most goods and services
- Deductions: Amount subtracted from taxes owed
- Credits: Items which reduce taxable income

Educational Standards: Financial Literacy, Decision Making, Personal Responsibility, Personal Finance

What You'll Need

- Video: Ca\$h Cour\$e: Understanding Taxes



Scan to watch video.

- Worksheet: Ca\$h Cour\$e: Understanding Taxes ([Download PDF](#))
- Classroom whiteboard and dry-erase markers (You may use a technology solution if available).

Lesson Plan (45 mins.)

Warm-Up: (10 mins.)

1. Ask: *How many of you would like me to pay you \$20 each to work together and clean our classroom after school? Ask students for a show of hands.*
2. Ask: *What if I told you I would pay you \$20 but only gave you \$15? How would that make you feel? Why? Allow students to share responses.*
3. Ask: *Would you feel the same way if I took the \$5 from each of you and purchased pizza and ice cream for a class party for you to share? Why or why not? Allow students to share responses. (The goal is to have students share that they would feel differently as their earned money would benefit them in another way.)*
4. Say: *One of the things many workers dread is paying taxes to the government on what they earn. Ask: What do you know about taxes? Is paying taxes a good thing? Allow students to share responses.*

Watch and Apply: (25 mins.)

1. State: *We will watch this video and see what we can learn about taxes, then answer some questions to see what we've learned.*
2. Watch the video, *Ca\$h Cour\$e: Understanding Taxes.*
3. Ask: *What are some things you learned that you did not know? How does this make you feel about being a taxpayer? Is paying taxes similar to the situation I shared about cleaning our classroom? How is it similar, and how is it different? Allow students to share responses.*

Wrap-Up: (10 mins.)

1. Distribute the *Ca\$h Cour\$e: Understanding Taxes* worksheet. Allow students 10 minutes to complete the worksheet independently.
2. After the assessment (you may choose to collect or not), work through the questions as a class and discuss any areas where students needed help, still needed to complete it, or had questions.

Don't have time for the full lesson? Quick Activity (10-15 mins.)

- Distribute the worksheet and allow students to complete it while they follow along with the video.
- Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.