

# Personal Finance Newsletter

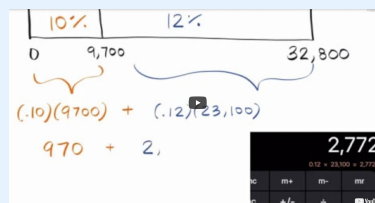
## Unit 10: Taxes

Mr. Dalgord's Personal Finance classes have had the opportunity to learn about the following units: Checking, Saving, Types of Credit, Managing Credit, Paying for College, Budgeting, Investing, and now Taxes!

### Students will learn about...

- \*The US Tax System
- \*Important Tax Forms
- \*How To File Your Taxes

### Learn the Math Behind Federal Income Tax Brackets



## Conversation Starters with Your Child

It's important to talk to your own child about money, but it's not always easy. [CLICK HERE](#) for a few simple suggestions for **HOW** to approach the conversation. Below are a few ideas to start the conversation with linked resources on each graphic to brush up on the topic.

#### ARTICLE

In the past, we have \_\_\_\_\_ (received a refund; paid enough along the way to not owe or pay on tax day; owed on tax day). Here is what we plan for and why.

Brush up on the topic:



#### INTERACTIVE WEBSITE

Do you know how we file taxes? We could use online software or pay a tax preparer, and if your household income is less than \$72,000 (in 2021) you get free software.

Brush up on the topic:



#### INTERACTIVE WEBSITE

What do you think is the BEST use of tax money? Which public goods and services are most important to you? (Public schools, road/highway upkeep, parks, etc.)

Brush up on the topic:



# Addressing Common Student Misconceptions

**MYTH** If taxes are withheld from my paycheck, why do we have to file tax returns?

**FACT** Employees pay an income tax - how much you owe per year is based on how much you earn (look at the current year's tax brackets). Income taxes are withheld from your paycheck (withholding tax) and are a credit against the total income taxes you owe for the year. Based on how much is withheld from your paychecks, you may get a refund (meaning you withheld more money than needed), or you'll owe more money (you withheld too little).

[Click here](#) if you want to take a deep dive into many of the activities and topics your child is learning in this unit in personal finance class.

---

## Parents: Did You Know?



### CLAIMING A DEPENDENT

A dependent of a parent (i.e. a child with a part-time job) CAN file for a tax refund and parents CAN claim that child as a dependent as long as that child maintains dependency status.

### TAX BRACKETS

If you're in the 35% marginal tax bracket that 35% of your taxable income is NOT paid in federal income tax? The effective tax rate is lower because it progresses through lower tax rate brackets as well.