

Understanding Taxes



Theme 5: Impact of Taxes





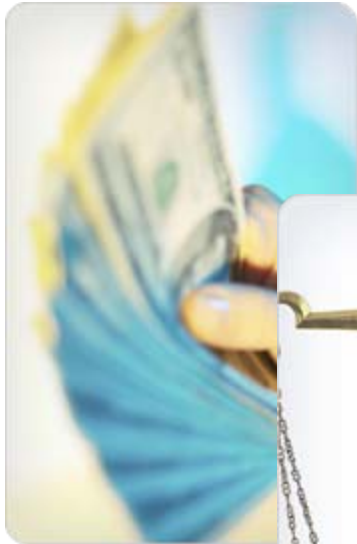
Theme 5: Impact of Taxes

“Political work is the life-blood of all economic work.”

–Mao Zedong



Goals of Taxation



- Raise revenue
- Be fair
- Influence behavior



Horizontal Equity

Equals should
be taxed equally.





Tax Breaks

Deductions:

Reduce income subject to tax

Exemptions:

Part of income that isn't taxed

Credits:

Dollar for dollar reduction in tax



Department of the Treasury - Internal Revenue Service
Form 1040EZ **Income Tax Return for Single and Joint Filers With No Dependents** **2010** OMB No. 1545-0074

Label
 (See page 9.)
Use the IRS label.
 Otherwise, please print or type:
 Presidential Election Campaign (see page 9)

Your first name and initial Last name
 Your social security number
 If a joint return, spouse's first name and initial Last name
 Spouse's social security number
 Home address (number and street); if you have a P.O. box, see page 9. Apt. no.
 Make sure the SSN(s) above are correct.
 City, town or post office, state, and ZIP code; if you have a foreign address, see page 9.
 Checking a box below will not change your tax or refund.
 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.	
2	Over \$1,500, you cannot use Form 1040EZ.	
3	Dividends and Alaska Permanent Fund dividends (see page 11).	
4	Adjusted gross income.	
5	For a joint return or spouse of a joint return on a dependent, check here if you are a dependent. Enter the amount from the worksheet on back.	
6	For a joint return, enter \$9,350 if single; otherwise, see back for explanation.	
7	For a joint return, enter 50% of the amount on line 6 if larger than line 4, enter -0-.	
8	For a joint return, enter the amount on line 7 from Form(s) W-2 and 1099.	
9	For a joint return, enter the amount on line 8 from Form(s) W-2 and 1099.	
10	For a joint return, enter the amount on line 9 from Form(s) W-2 and 1099.	
11	For a joint return, enter the amount on line 10 from Form(s) W-2 and 1099.	
12a	For a joint return, enter the amount on line 11 from line 10. This is your refund.	
12b	For a joint return, enter the amount on line 11 from line 10. This is your refund.	
13	For a joint return, enter the amount on line 11 from line 10. This is your refund.	

your total payments and credits. Yes No
 Use the amount on line 10 to find your tax in the tax table on pages 27 and 28. If you are a joint filer, enter the tax from the table on this line.
 Subtract line 11 from line 10. This is your refund.
 Type: Checking Savings

Abstract line 10 from line 11. This is on how to pay, see page 19. Yes, Complete the following. No

Phone number: _____
 Personal identification number (PIN): _____

We examined this return, and to the best of my knowledge and belief, it is true, correct, and complete as shown. Declaration of preparer (other than the taxpayer) is based on preparer's knowledge.
 Date: _____ Your occupation: _____ Daytime phone number: _____
 Preparer's signature: _____ Date: _____ Spouse's occupation: _____
 Preparer's signature: _____ Date: _____ Check if self-employed
 Form 1040EZ
 Phone no.: _____
 Call No. 1-800-829-1040 Form 1040EZ (2010)



Excise Tax



Tax on the sale or use of specific products





Sin Tax

Discourages unhealthy behavior





Gasoline Excise Tax

A user tax that generates revenue to build and maintain roadways





Role of Lobbyists

Work to influence
lawmakers' decisions





How to Lobby for Your Cause

Find an issue

Research

Know your legislators

Understand the legislative process

Make your position known

Be brief, persistent, and polite

