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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | | |
| **Lesson Identification and TEKS Addressed** | | |
| **Career Cluster** | Business, Management, and Administration | |
| **Course Name** | Principles of Business, Marketing, and Finance | |
| **Lesson/Unit Title** | Prepare an Individual Income Tax Return | |
| **TEKS Student Expectations** | **130.132.(c) Knowledge and Skills**  (10) The student demonstrates an understanding of personal financial management. The student is expected to:  (G) prepare an individual income tax return. | |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | | |
| **Instructional Objectives** | * Identify tax forms * Complete individual tax return * Determine exemptions and deductions on a tax return | |
| **Rationale** | After completing this lesson, the student will understand how to prepare an individual income tax return and the various deductions and exemptions associated with taxes. | |
| **Duration of Lesson** | When taught as written, this lesson should take 3-4 days to complete. | |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | * **Filing Status** –your tax-filing group based on your marital status * **Exemption** –an amount you may subtract from your income for each person who depends on your income to l * **Gross Income** –all taxable income you receive, including wages, salaries and tips * **Adjusted Gross Income** –gross income less adjustments * **Itemized Deductions** –expense listed on Schedule A that you can subtract from adjusted gross income todetermine taxable income * **Standard Deduction** –a stated amount you can subtract from adjusted gross income if you do not itemizededuction * **Taxable Income** –the amount on which you will pay income tax * **Tax Credit** –an amount subtracted directly from the tax owed | |
| **Materials/Specialized Equipment Needed** | 1. Assignments and website information ready to distribute to students 2. Copy of tax related forms 3. Copy of instructions and rubric for each student 4. Computer with presentation and Internet access 5. Projector to review presentation and Internet sites 6. Computers for students to conduct research and collect data for projects | |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | * Ask students to determine the gross income for an individual working 40 hours per week at minimum wage. ($7.25 x 4 hours = $290.00). * Inquire if the individual will receive a check from the company they are working for in that amount? * Then explain to role of taxes withheld from a paycheck by an employer and the actual net income received by the employee work completed. * **SHOW:** Show students a W-4 and W-2 form. * **ASK:** Ask students what is significant about these two forms. * **SAY:** Explain how the W-4 is completed upon beginning a job to determine the amount of taxes withheld based on exemptions. Then explain how a W-2 is provided by January 31 notating the prior year’s income received and taxes withheld. * **ASK:** Ask students if they have ever completed a W-4 or received a W-2 from an employer. * **SAY:** Explain how it is important to use the W-2 to file an individual income tax return by April 15 for the previous year’sincome. | |
| **Direct Instruction \*** | Outline | Notes to Instructor |
| I. Discovery  A. Ask students about W-2 and W-4 forms.  B. Inquire if students have completed a W-4 or received a W-2.  C. Review a Form 1040 to file taxes.  II. Introduction  A. Why do individuals file tax returns?  1. Discuss legal  Requirements.  2. Review tax terminology.  3. Evaluate types of  Exemptions.  III. Guided Practice  A. Direct students to JA Finance Park to simulate financial decisions.  B. Discuss the experience as a whole group to identify new knowledge obtained.  IV. Independent Practice  A. Individual Tax Return – complete a 1040EZ tax form to file.  V. Extension  A. What about the IRS? – review the IRS site and create a presentation about the organization.  VI. Summary  A. Review lesson objectives.  B. Check for understanding. | * Share personal experiences of working at a job and filing taxes.   <https://www.irs.gov/pub/irs-pdf/f1040ez.pdf>.   * Use the terms listed to review definitions and visit [www.irs.gov](http://www.irs.gov) to become familiar with the Internal Revenue Service * Obtain a sample W-2 at <http://www.irs.gov/pub/irs-pdf/fw2.pdf> and fill in information for the student to complete the 1040EZ. * Use the enrichment activity to expand student learning and evaluation of information. * Conduct a class discussion to review inform obtained from the lesson and revisit areas lacking comprehension. |
| **Guided Practice \*** | Introduce students to <https://jafinancepark4.ja.org/> to practice making financial decisions and filing taxes. They will register information about themselves and then use the free online software to make personal and final decisions affecting their income and lifestyle. They will be responsible for tax information and completing W-4 forms. | |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | This project will be evaluated using the assigned rubric for “Prepare an Individual Tax Return.” | |
| **Lesson Closure** | * Why is it important to complete the Form W-4 correctly upon starting a new job? * Who do you send an individual tax return to? * What is the last date you can file an individual tax return without penalty? * When should employers provide the W-2 to employees? * What are some examples of exemptions you may have on a tax return? | |
| **Summative / End of Lesson Assessment \*** | **Informal Assessment (LSI Quadrant III):**   * Instructor should observe the work ethic of individuals involved in class discussions and the independent practice activity.   **Formal Assessment (LSI Quadrant III, IV):**   * Students will be evaluated on their “Prepare an Individual Tax Return” by using the assigned rubric. | |
| **References/Resources/**  **Teacher Preparation** | * Teacher will review the terms in the outline, presentation slides and handouts to become familiar with lesson. * Teacher should locate and evaluate various resources and websites before the lesson. * Teacher will have assignments and website information ready to distribute to students * *JA Finance Park Virtual*. (n.d.). Retrieved June 6, 2012, from Ryan, J. S. (2010). *Managing Your Personal Finances.* Mason: South-Western, Cengage Learning. * *Tax Form 1040EZ.* (2012). Retrieved June 6, 2012, from Internal Revenue Service: <http://www.irs.gov/pub/irs-pdf/f1040ez.pdf>. * *Wage and Tax Statement.* (2012). Retrieved June 6, 2012, from Internal Revenue Service: <http://www.irs.gov/pub/irs-pdf/fw2.pdf>. | |
| **Additional Required Components** | | |
| **English Language Proficiency Standards (ELPS) Strategies** |  | |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  | |
| **Recommended Strategies** | | |
| **Reading Strategies** |  | |
| **Quotes** |  | |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  | |
| **Graphic Organizers/Handout** |  | |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  | |
| **Communication**  **90 Second Speech Topics** |  | |
| **Other Essential Lesson Components** | | |
| **Enrichment Activity**  (e.g., homework assignment) | * Direct students to research information about the IRS by using the organization’s website or other sites. They should identify the organizations role in the government and how they manage taxes throughout the United States. * The students may locate any relevant information to include in a presentation to the class. Presentation software should be used to create visual summarizing the information located and include speaker notes for instructor evaluation. | |
| **Family/Community Connection** |  | |
| **CTSO connection(s)** | Business Professionals of America  Future Business Leaders of America | |
| **Service Learning Projects** |  | |
| **Lesson Notes** |  | |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)