

# Money, Money, Money!

Let's calculate income and identify taxes.



## Warm-Up



eyes on teacher



**We are a math community.**

What can you do to create a fun and safe math community?

## Activity

### 1

## Where'd My Money Go?

- Record your answer to each scenario in the table.

Scenario	Tax
Clare bought a slice of veggie pizza. The slice cost \$3.50. After tax was applied, the total cost was \$3.72.	
Shawn's <b>gross income</b> gets taxed and deducted from his paycheck.	
Each year, Priya pays a tax on the farmland that she owns.	
Diego pays a tax on the money, or income, that he receives. This tax is used to fund public services.	

## 2

How is **sales tax** different from **income tax**, **payroll tax**, and **property tax**?

## 3

answer: \_\_\_\_\_

4

	← gross income
- 65.10	← taxes
<hr/>	← net income

answer: \_\_\_\_\_

5

## Activity 1

## Gross Income vs. Net Income



Show your thinking.

6

If Andrea makes \$32 an hour as an inventor and works 8 hours a day and 28 days per month, what would her monthly gross income be?

answer: \_\_\_\_\_

7

If \$548.35 is deducted from Andrea's income for taxes each month, what is her net income? Use Andrea's gross income from Problem 6.

answer: \_\_\_\_\_

8

Why is it important to understand the difference between gross income and net income? Explain your thinking.

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**Gross Income vs. Net Income (continued)**

For Problems 9 and 10, use the word bank to write the term that matches the definition for the tax that could be taken out of Andrea's income.

income tax

payroll tax

property tax

sales tax

- 9 A tax paid on money received, including money from wages and other sources.

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- 10 A tax paid on property such as houses and land.

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- 11 Gil cannot wait to get a job and earn money when he grows up. When he gets his first paycheck, Gil expects that it will include his gross income and deductions for taxes. What are the taxes that will be deducted from Gil's paycheck called?

(A) income tax

(B) payroll tax

(C) property tax

(D) sales tax

- 12 As working adults, Andrea and Gil plan to go out to lunch every Friday to catch up. Which tax will be added to their bill?

(A) income tax

(B) payroll tax

(C) property tax

(D) sales tax

- 13 Andrea tells Gil that net income is always less than gross income. Do you *agree* or *disagree*? Explain your thinking.

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