1.  Match the description to the type of tax. (Write the number of the tax type before its  
description.)  
• Description:  
a. **EXCISE** tax on the use of vehicles, gasoline, alcohol, cigarettes, highways,  
and the like.  
b. **ESTATE** tax on the wealth and property of a person upon death.  
c. **SALES** tax on purchases of both discretionary and nondiscretionary  
items.  
d. **INCOME** tax on wages, earned interest, capital gain, and the like.  
e. **PROPERTY** tax on home and land ownership.  
f. **CONSUMPTION** tax on purchases of discretionary items.  
g. **VALUE-ADDED OR GOODS AND SERVICES** tax on items during their production as well as upon consumption.

2. List all the types of taxes you will be paying next year and to whom. How will you plan for paying these taxes? How will your tax liabilities affect your budget?

- Sales Tax, I buy things and whatever company I purchase stuff from will deal with paying the tax

- Income Tax, my employer withholds part of my paycheck for tax paying purposes

- I \*might\* pay excise taxes for my car, but right now it’s not being driven by me so I might not

3. Access and study the following documents on the IRS website

* + Schedule A
  + Schedule B
  + Schedule C
  + Schedule D
  + Schedule E
  + Schedule F

4. Find answers to the following questions  
[www.finaid.org/scholarships/taxability.phtml (Links to an external site.)](http://www.finaid.org/scholarships/taxability.phtml)

1. Is financial aid for college subject to federal income tax?

Yes and no, it is taxable when spent on non-education expenses, for example our stipends are taxable  
2. Can federal and state education grants be taxed as income?

As with the last question, any spending not spent on education expenses is taxable

3. Are student loans taxable?

No, because you will repay them  
4. When is a scholarship tax exempt?

Some scholarships are not tax exempt, and the ones that are tax exempt still are taxable when spent on non-education expenses  
5. Do you have to be in a degree program to qualify for tax exemption?

Yes  
6. When can the cost of textbooks be deducted from gross income for tax reporting  
purposes?

Generally yes, sometimes no  
7. Can the amount of a scholarship used for tuition be deducted?

Generally no  
8. Can living expenses while on scholarship be deducted?

no  
9. Is the income and stipend from a teaching fellowship or research assistantship tax  
exempt?

The internet says some of them may or may not be tax free, it just depends on so many things

5. Review your list of personal financial goals.  For each goal, how does the U.S. Tax Code help or hinder you in achieving it?

It adds hidden fees to everything, in no way does it help me