

# Tax Burden Calculator

Calculate your total tax burden from federal and state taxes - Activity 1, Part A (8 minutes)

## Income Information

**Scenario:** You earn \$40,000/year in {{STATE\_NAME}}. Calculate your total tax burden including all federal and state taxes.

State	Annual Income (\$)
{{STATE_NAME}}	40000

## Federal Taxes

Tax Type	Rate/Amount	Annual Cost
Federal Income Tax	~12% bracket	3000
Social Security	6.2%	2480
Medicare	1.45%	580
<b>Federal Total</b>		<b>\$6,060</b>

## {{STATE\_NAME}} Taxes

Tax Type	Rate/Amount	Annual Cost
State Income Tax	{{STATE_TAX_STRUCTURE}}	0
Sales Tax (assume \$10k spending)	___ %	0

Tax Type	Rate/Amount	Annual Cost
Property Tax (if own home)	Varies	0
Gas Tax (assume 500 gal/yr)	\$ <input type="text"/> /gal	0
Other State/Local Taxes	Various	0
<b>{{STATE_NAME}} Total</b>		<b>\$0</b>

## Tax Burden Analysis

Federal Taxes

**\$6,060**

State/Local Taxes

**\$0**

Total Tax Burden

**\$6,060**

% of Income

**15.2%**

Federal Taxes

\$6,060

State/Local Taxes

\$0

## Analysis Questions

- What do you get for these taxes? List 5 services you use:

**Federal:** National defense, Social Security, Medicare, roads, courts

**State:** Schools, police/fire, roads, parks, universities

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

2. Are you getting good value? Do benefits exceed costs?

Consider whether the services you receive are worth the taxes you pay...

3. How does {{STATE\_NAME}} compare to other states?

**High-tax states:** CA, NY, NJ (more services but higher costs)

**Low-tax states:** TX, FL, TN (fewer services but lower costs)

Would you rather live in a high-tax or low-tax state? Why?