

Enrich

A Taxing Exercise

People who earn income are required by law to pay taxes. The amount of tax a person owes is computed by first subtracting the amount of all *exemptions* and *deductions* from the amount of income, then using a tax table like this.

Schedule X—Use if your filing status is **Single**

If the amount on Form 1040, line 37, is: <i>Over</i> —	<i>But not over</i> —	Enter on Form 1040, line 38	<i>of the amount over</i> —
\$0	\$20,350	----- 15%	\$0
20,350	49,300	\$3,052.50 + 28%	20,350
49,300	---	11,158.50 + 31%	49,300

Compute each person's income. Subtract \$5,550 for each person's exemption and deduction. Then use the tax rate schedule to compute the amount of federal tax owed.

1. A cashier works 40 hours each week, earns \$7.50 per hour, and works 50 weeks each year.
2. A newspaper carrier works each day, delivers 154 papers daily, and earns \$0.12 delivering each paper.
3. A babysitter earns \$3.50 per hour per child. During a year, the babysitter works with two children every Saturday for 8 hours and with three children every other Sunday for 6 hours.
4. While home from college for the summer, a painter earns \$17.00 per hour, working 45 hours each week for 15 weeks.
5. Working before and after school in the school bookstore, an employee works 2.5 hours each day for 170 days and earns \$4.60 per hour.
6. After graduating from college, a computer programmer accepts a position earning \$2,450 monthly.