

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. **\$1,417.50**
2. A newspaper carrier works each day, delivers 154 papers daily, and earns \$0.12 delivering each paper. **\$179.28**
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. **\$0.00**
4. While home from college for the summer, a painter earns \$17.00 per hour, working 45 hours each week for 15 weeks. **\$888.75**
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. **\$0.00**
6. After graduating from college, a computer programmer accepts a position earning \$2,450 monthly. **\$4,032.50**