



LAES has developed a series of immigrant issue instructional modules entitled "Tierra de Oportunidad" for orientation to our complex society.

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Date: \_\_\_\_\_

Student Name \_\_\_\_\_

Teacher Name \_\_\_\_\_

## Module 17

### Dealing With Taxes

**Note to Instructors:** To complete this activity you must provide sufficient copies of Schedule EIC and the 1040A, 1040EZ and Schedule C for students to use. You may be able to download these forms from the IRS website

#### Instructions:

Please join with a partner to work on this activity. The activity is divided in two parts. The first part asks you to read background material and complete a tax form using that information. The second part asks you to reflect on your work with this module and tell us what you have learned.

#### Part I.

With your partner, please read the following three stories. Choose one and use the information contained in it to complete the tax return for the person. Place an X next to the story you are using to calculate the tax, and turn this paper in with the completed tax form or forms.

- If you choose story number 1, you need to complete Schedule EIC and the 1040A. Schedule EIC is the form needed to claim the earned income tax credit.
- If you choose story number 2, you need to complete form 1040EZ.
- If you choose story number 3, you need to complete Schedule C.

#### Stories—Put an X in the box to the left of the story selected.

1. Viet Trung lives in Santa Cruz, California. He works as a dishwasher at a restaurant. He has a wife and two small children. He is a United States citizen and his wife is a legal resident. His wife doesn't work. Look at Viet's W-2 and fill out his tax form. Don't forget the earned income tax credit. Use form 1040A and Schedule EIC.

2. Jose Luis Gonzalez is from Mexico. He is single and 25 years old. He came to live with his father, a United States citizen, the last 4 months of 1995. His father helped him get a job in landscaping. Jose Luis worked for 3 months. Fill out the tax form for him. Use the form 1040EZ. Because he earned more than \$2,500 his father can not claim him as a dependent. He doesn't qualify for the earned income tax credit because he was in the United States for less than half the year. If you choose number 2, use form 1040EZ.

3. Mike Johnson worked as a musician in a group. His group split up the money each night after work. What records should he keep and how might good records help him? Which categories on his Schedule C form might be used to list expenses.

**Part II. Please tell us what you learned from your work with this module**

**1. Did you benefit from your work on this module regarding any of the following?**

<b>For example, in your ability to</b>	<b>Yes/No</b>	<b>Please comment on either: &lt; How you benefited; or &lt; Why you feel this module was not useful for you in this area</b>
a. Who needs to pay taxes and who doesn't?		
b. What the benefits from paying taxes are?		
c. What the penalties are for not paying taxes?		
d. If it is better for you to work as a self employed person or as an employee?		
e. How to file taxes, both state and local, and where to find the forms?		
f. What the "Earned Income Credit" is and who is entitled to claim it?		
g. What kinds of documents and records you need to keep and to have on hand when you pay taxes?		
h. How the IRS system works?		
i. Deciding who should do your taxes--you or a professional tax preparer ?		

**2. Did your work in this module help you in any of the following areas?**

<b>For example, in your ability to</b>	<b>Yes/No</b>	<b>Please comment on either: &lt; How you benefited; or &lt; Why you feel this module was not useful for you in this area</b>
a. Reading and understanding written technical information.		
b. Filling out forms correctly		
c. Using charts and tax tables		
d. Adding or subtraction—calculating the right figures with which to complete the forms		
e. Documenting your income or expenses		

f. Ways to get help with completing your taxes		
g. Anything else? Please tell us about it below		

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