

Topic 1: Why Should You Care About Taxes?

1. JAYDEN BRIERRE DOESN'T CARE (ABOUT TAXES)

Essential Dilemma: Why are there taxes, and do you pay any?

It's the last period of the day on a gorgeous Friday afternoon. The teacher, Ms. Lerner, is droning on about taxes, but Jayden is too busy thinking about the weekend.

(muttering to Jasmine, sitting next to him)
I don't pay taxes so why should I care about them?



Ms. Lerner

Speak up, Jayden. Everyone wants to hear your words of wisdom.

I don't pay taxes so why should I care about them?



Ms. Lerner

Why do you think you pay no taxes?

Well, it's obvious. I don't have a job;
I've got no income.





Ms. Lerner

It may be obvious that you have no job, but you could still have income. But even if you don't, and don't pay income tax, that doesn't mean you don't pay any taxes. I bet you pay lots of them. What are you doing this weekend?

After school, I'm getting some pizza and playing video games with some guys. Saturday afternoon, I'm playing some football. But Saturday night Jasmine and I are going to the big Rihanna concert (if I remember to put some gas in the car). And Sunday afternoon, I'm buying the guitar I've been looking at for months. Oh, yeah, and do all my homework, too.



Jayden



Ms. Lerner

Well, you may not be paying income taxes, but you sure are paying other taxes. For example, there's tax on the food at the restaurant, tax on the concert tickets, tax on the gas for your car. Do you know any other taxes?

That's outrageous. What does the government need all that money for?



Briana



Ms. Lerner

Class, any ideas?

They helped my Uncle Eddie get a new leg and learn to walk on it, after he came home from Afghanistan. He's even getting help with college!



Briana

Building roads, paying for police, prisons, enforcing laws that keep us safe.



Maria

Regulating food, drugs, airplanes and airports to keep us safe.



Carlos

The mail!



Briana

Who uses that anymore!



Jayden

Ok, then, e-mail!



Briana

Blah, blah, and who uses that anymore?



Jayden

Well, the government did develop the internet—and I use twitter.



Maria

That's so true. I know the government does lots of research (or gives money to others to do it) in all kinds of things like diseases, health, education.



Jayden

(laughing) My mom says the government invented cordless vacuums and tools—and its space technology even helped make my running shoes better.



Carlos



Ms. Lerner

You're all right. Although government can sometimes do things that aren't so good, government does do many things that are good. And taxes pay for most of those things.

Why doesn't the government just ask people to give money?



Jayden

Yeah, Jayden, I'm sure you would give it lots of money!



Carlos

Maybe he'd loan it to the government and charge lots of interest too!



Briana



Ms. Lerner

Carlos and Briana are both right—those are possible ways for the government to get the money or revenue it needs, but they generally don't work as well as taxes.

I see why asking people to give money doesn't work—too many people like Jayden. But why aren't loans as good?



Maria



Ms. Lerner

Governments do use loans, and that's ok sometimes. Remember, however, that loans have to be paid back—and where will the government get the money to do that? And loans are expensive because they have to be paid back with the interest.

So taxes—which people have to pay—are cheaper than loans because there is no interest.



Briana



Ms. Lerner

Right. That doesn't mean it's a good idea to pile on tax after tax after tax. Too many taxes aren't a good idea either. Taxes can slow down the economy and having to pay taxes means people can't keep it and spend it themselves. But reasonable taxes allow governments to provide people the goods and services that they—and the economy—need.

Dilemma (Taxfreeville)

Imagine you live in the city, state, and country of Taxfreeville. Just as the name says, there are no taxes in Taxfreeville.

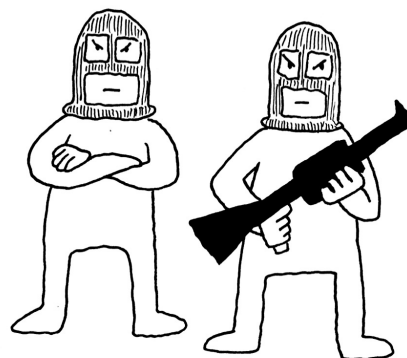
Now imagine you are going to your first day at your summer job as a checkout clerk at a new branch of a local grocery chain, the Grungy Grape.

The day starts out fine, but 3 blocks after you and your buddy drive off together, you almost have an accident because people are driving all over the road—some on the left, some on the right and even some in the middle. You manage to dodge all the crazy drivers, but you can't dodge all the potholes or avoid the masked and armed gunmen who stop you about every 6 blocks demanding you pay them to go on the road. Luckily, between the two of you, you had enough money to pay. Finally, you get to the store.

You immediately go to the back room to put on your purple Grungy Grape shirt. Unfortunately, as you turn on the light in the back room, you get such a bad electrical shock that your whole body jumps and your hand turns red and hot. Luckily, it's not the hand you work the cash register and anyway, it's not so bad. So you start working.

Finally, the day is over. You get home, eat a bowl of cereal and milk and collapse on the couch. Just as you reach for your phone, your mom comes in. She says she has lost her job and can no longer afford your phone plan. In fact, she probably won't be able to pay your school tuition here or at any school (since all schools cost money) and so you're probably going to have to work permanently at Grungy Grape.

Suddenly, your stomach starts hurting and you heave it all up—just missing your mom. You think at first it's because of what she said, but for the next hour you are so sick that finally your mom drags you to the emergency room, where it turns out people have been getting sick from some contaminated milk.



Task

Name _____

Governments use taxes to fund many goods and services that would help prevent, lessen, or fix the problems that you had in Taxfreeville today. Please identify five **(5)** situations in which government could have used taxes to help with your problems (and what it could have done).

1.

2.

3.

4.

5.