



Lesson 18.8 “How Do Taxes Work?”

Unit 18: Civics and Government Today

Lesson Objectives

- Students will discuss how to pay for public services to understand why we pay taxes.
- Students will determine whether services used by citizens are paid for by taxes or paid for privately.
- Students will debate whether public services should be paid by federal, state, or local governments.
- Students will write a proposal for a new private or public service for their town.

Lesson Competencies

- I can initiate and sustain a focused discussion. (ELA 7)
- I can investigate and describe basic economic principles and explore how they impact communities. (Moose SS)
- I can investigate and describe basic economic principles and explore how they impact communities. (Moose SS)
- I can organize my ideas by stating reasons that support my opinion, and using facts and details to say more about each reason. (ELA 6)

Essential Question

How have New Hampshire’s people shaped its government?

Focus Questions

What are the responsibilities of federal, state, and local government?
How is a balance of power part of our democracy?

Estimated Time

Two 40-minute class sessions

Materials & Equipment

Group sets of “What Do Taxes Pay For?” worksheet
Group sets of “What Do Taxes Pay For? Sorting Cards”
Scissors as needed
Definitions for projection as needed
Class set of “Whose Responsibility?” worksheet
Class set of “Triple Venn Diagram: Whose Responsibility?”
Answer key of “Triple Venn Diagram: Whose Responsibility?” for projection
Class set of “I Think My Town Needs ...” worksheets
Access to Unit 18, Learn It! “[Taxes and Conclusion](#)”



Educator Introduction & Rationale

When societies form governments, those governments are tasked with providing protections and services to their citizens. Benefits like the protection of the people and their property, the organization of laws, and the establishment of education are part of what the people receive in the social contract with the government, for which they give up some of their freedoms and rights. These benefits all come at a cost, as roads need to be built and maintained, libraries and schools staffed, and parks cared for. Local, state, and federal governments pay for these costs by collecting money in the form of taxes from the citizens. Figuring out how much money needs to be collected and how much to collect from each person is complicated. Americans often disagree about issues such as how much money the government should spend, what the government should spend money on, who should pay taxes, and how much they should pay. However, taxes are a fact of life, and the basic need for them is not disputed.

This is the eighth lesson in Unit 18: Civics and Government Today and can stand alone from the unit. However, students will need a basic understanding of the differentiation between federal, state, and local governments. In this lesson, students explore the role governments play in providing different services to citizens to understand the need for taxes. Students brainstorm how to pay for a new town park between categorizing services as publicly paid for or privately paid for. A debate is set up between government representatives from the federal, state, and local governments in which they discuss what services their tax monies should pay for, before students write a letter to their government discussing a service that should or should not be paid for publicly. Please adapt all the material in this lesson as necessary to meet the needs of the students in your classroom. Please note, lesson vocabulary and definitions are at the end of the document. You may wish to preview these with your students.

There is a reinforcement activity for students who will benefit from spending more time with the concepts of the lesson considering why “No taxation without representation” was a rallying cry for colonists. There are two extension activities enabling students to exercise their powers of persuasion and decision making in thinking about the value of government services to our communities.

Learning Activity

Activation & Discussion

We need a new park. Tell students to imagine their town only has one town park and that the park has old, dangerous play equipment and one baseball/softball diamond. The one soccer/lacrosse field is often flooded and unusable. There are no benches or garden, and no trails in the woods. The townspeople agree a new park must be built. The class must brainstorm how the community could fund the building of the new park. Rough estimates put the cost at \$700,000 - \$1,000,000.

Possible questions to guide discussion:

- Who should have to pay to build the park?
- Who will benefit from the new park?
- Does a person who does not use the park get any benefit from the park? Should they have to pay?
- How can we earn/get money to build the park?
- How could we get everyone to pay?
- How would we decide how much each person should pay?
- Who should collect the money?
- Who makes decisions about what exactly to include in the park?

Guide students to realize that the town would use taxes to pay for the new park. How much each person pays would be based on how much their property and homes are worth. It is possible some money could come from the federal government through the National Parks Service.

The town would collect the money and pay the contractors to build the park. A town committee would be created; some of the members would be elected and some would be volunteers. The public would have input into the design of the park, but the committee and town government would make final decisions.

Student Reading

Introduction to Taxes. Before beginning either of the Guided Practice activities, direct students to read Unit 18, Learn It! "[Taxes and Conclusion](#)," pages 1-5.

Guided Practice

What do taxes pay for? Divide the students into small groups. Distribute copies of the "What Do Taxes Pay For?" worksheet and "What Do Taxes Pay For? Sorting Cards." Decide if you will cut them up ahead of time or if students will cut the cards out. Have groups discuss the town services on each card and identify which are public and which are private while you circulate to support learning. Discuss as best for your class.

Guided Practice

Levels of taxation. Discuss or review with students that there are three levels of government that tax citizens and provide government services: federal, state, and local. This division of government power is called **federalism** and was done to serve the people best while limiting government's power. Project the definitions of the three levels

if necessary and inform students that these three levels of government provide different but sometimes overlapping services. Use care of roadways (plowing, paving) as an example:

- the federal government cares for highways that run through many states like interstate 95 or 93,
- the state government cares for state routes that run through many towns like NH 101 or NH 9, and
- the local governments care for local roads that run through their towns.

In this activity, students will work in groups of three to negotiate which level of government will be responsible for what. Each student in a group of three will represent a different level of government and will work with the other two levels to create a triple Venn diagram showing whose tax monies will pay for which services.

Divide the class into thirds and assign one level of government to each group. Distribute the "Whose Responsibility?" worksheet to the groups and give each group time to discuss the perspectives among themselves. After a few minutes, make groups of three with one federal, one state, and one local in each. Give each group of three a "Triple Venn Diagram: Whose Responsibility?" Review with students what each section shows: singular responsibility or different ways of sharing responsibility.

Give groups time to discuss among the levels of government and place the services into the triple Venn diagram. Circulate to support learning. When all groups have finished, discuss together. When appropriate, show students the "real" division of responsibilities among the levels of government in the answer key triple Venn diagram.

Teaching tip: Note with students that some phrases can be stated in different ways; for instance, "court systems" could be state court and federal court. Or, road care could specify interstate or state or local roads. Students should feel free to restate terms.

Independent Practice & Reflection

Improving our community. Here in New Hampshire, the residents of communities come together at an annual town meeting to decide what services they want their local government to provide and whether tax money will need to be raised to pay for new services. Distribute copies of the "I Think My Town Needs ..." worksheet. They will identify a specific service or benefit your town or city might consider funding and then work to think about all perspectives, brainstorming arguments in favor of and against raising taxes to fund that service.

Possible outcomes:

- Buy a new fire truck
- Hire a new police officer or police dog
- Widen a local road that has a lot of traffic
- Build an addition to the school or town library
- Construct a new playground

Circulate to support learning and consider grouping students to work together. After students have completed their worksheets, review as best for your class. Consider selecting a few proposals to discuss as a class and put to a vote. Take care to ensure all perspectives are represented in discussion.

Reinforcement

1. **“No Taxation Without Representation.”** In the 1770s, the American colonists were citizens of Great Britain but had their own colonial governments. They had grown tired of being taxed by the British Parliament in England for goods such as glass, paper, and tea without being represented at Parliament because they had no say over how their taxes were spent. When the Declaration of Independence was written, the colonists included among their complaints, “For imposing Taxes on us without our Consent.” Students consider the phrase “no taxation without representation” in a modern context.

Extension

1. **A letter to my government.** Students consider services that are provided by the government and those that are not, and write a letter to explain why one service should or should not be paid for. Use “A Letter to My Government” worksheet and give students time to discuss their suggestions.
2. **Uncle Sam for a day.** Use “Uncle Sam for a Day” to have students think about what percentage of a tax dollar should be spent on what government services.

Standards

“Moose on the Loose” Content:

- ✓ Students will understand that New Hampshire today is a modern, diverse state with a rich culture and thriving economy. (3-5.T8.1)

“Moose on the Loose” Skills:

- ✓ Communicating and Critiquing Conclusions (3-5.S2.1)
- ✓ Understanding Economics and Economic Systems (3-5.S5.1, 3-5.S5.2)
- ✓ Understanding and Participating in Government (3-5.S6.1, 3-5.S6.2)

New Hampshire Social Studies Frameworks:

- ✓ Economics: Basic Economic Concepts (SS:EC:4:2.2, SS:EC:4:2.3)
- ✓ Economics: Financial Institutions and the Government (SS:EC:4:4.2)

NCSS Themes:

- ✓ Theme 5: Individuals, Groups, and Institutions
- ✓ Theme 6: Power, Authority, and Governance
- ✓ Theme 7: Production, Distribution, and Governance
- ✓ Theme 10: Civic Ideals and Practices

C3 Frameworks:

- ✓ Civic and Political Institutions (D2.Civ.2.3-5, D2.Civ.5.3-5)
- ✓ Exchange and Markets (D2.Eco.8.3-5, D2.Eco.9.3-5)
- ✓ The National Economy (D2.Eco.12.3-5)

Common Core ELA:

- ✓ Comprehension and Collaboration in Speaking and Listening (SL.4.1, SL.4.1b, SL.4.1c)
- ✓ Knowledge of Language (L.4.3)
- ✓ Vocabulary Acquisition and Use (L.4.4)

Lesson Vocabulary

citizen	(noun) A member by law of a nation or group
civic	(noun) Actions taken to participate in the rights and responsibilities of citizenship in a community
engagement	
federal	(adjective) The central government of a group of states; the U.S. federal government is in Washington, D.C.
majority	(noun) More than half of a group
minority	(noun) Less than half of a group
public service	(noun) Something that is supplied for the benefit of the people; examples of public services are police, libraries, school, roads, courts, and military
representative	(noun) The person selected by a group of people who will communicate their views and make laws for them
society	(noun) What comes when people live together in a community
tax	(noun) An amount of money, added to the regular cost of an item, that goes to the government