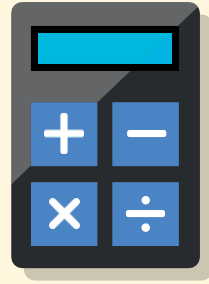




Percentages and income tax



This sequence is intended as a framework to be modified and adapted by teachers to suit the needs of a class group.

Resources needed

- How Australia's income tax system works – Video
- What is Income tax – Explainer
- Calculating income tax – How-to-sheet
- Tax and tax rates – Worksheet
- Impact of income tax – Investigation
- ATO's simple tax calculator

Part A: What is income tax?

- 1 Play the video: *How Australia's income tax system works* as an introduction to Australia's progressive income tax system.
- 2 Use a grouping strategy to organise students in groups of 3 or 4.
- 3 Students read the *Explainer* and in groups construct a brief definition of income tax and tax rates. Each group writes their definition on the board.

When all definitions are displayed, discuss and refine the descriptions to come to a shared class understanding.

Part B: Calculating income tax

- 1 Explicitly teach students how to calculate income tax. Use the *Calculating income tax – How-to-sheet* as a guide.
- 2 Students complete the part 1 of the *worksheet*.

Refer students to *Calculating income tax – How-to-sheet* to support them to complete the worksheet.

Review how to calculate averages. For example, the average rate of tax (ART) If income is \$45,000 and total income tax is \$5,092

- 3 Revise how to calculate percentages, averages and how to calculate percentage increases and decreases. Use the *Calculating percentage change – How-to-sheet* as a guide.
- 4 Students complete part 2 of the worksheet.

Refer students to *Calculating percentages or ratios- How-to-sheet* and *Calculating percentage change – How-to-sheet* to support them to complete the worksheet.

Part C: Investigating income tax

- 1 Walk students through the *Investigation* instructions, reminding them of the similarities to the problem you modelled.
- 2 Before students embark on their investigation, you may want to show them how to use the tax withheld for individuals calculator on the ATO website. When using the tax withheld for individuals calculator input a whole number in the Payee's gross weekly payments field and click the calculate button (all other settings can remain as they are). This will enable students to focus on developing an understanding of progressive tax rather than getting bogged down in calculations.
- 3 Students may benefit from working individually and/or in small discussion groups.
- 4 Discuss student answers as a class.