

# Classroom Tax Record and Form

## Notice to student

**Taxes.** Each student in the classroom economy is responsible for paying one month's salary in annual income taxes for each job he or she holds. Every student has the job of exemplary student with a monthly salary of \$750, which means all students are responsible for at least \$750 taxes. Students who hold an additional job will have to pay income tax on that salary as well.

The tax is due in April, so plan ahead. You can withhold part of your paycheck each month to gradually make the payment, or you can pay it in one lump sum in April. You can also consider ways to lower your tax bill.

**Credits.** You can reduce your tax owed in two ways:

- **Donate items for the classroom auction.** You may contribute items that other students would be interested in purchasing at the auction. Any item you wish to donate must be approved by an Auctioneer. For each accepted item, you receive a **\$100 tax credit**.
- **Volunteer in the community.** Each time you perform community service for at least one hour, you receive a **\$100 tax credit**. There is a limit of one tax credit per day.

**Documentation.** Keep this record in your classroom economy folder throughout the year. Be sure to update the form on the next page whenever you donate an auction item or perform volunteer service. You must enter the update within three school days of the event to receive a tax credit.

**Withholding.** If you choose to have part of your paycheck withheld each month to gradually pay your taxes, deduct the withholding amounts from your bank log and record them here to keep track throughout the year.

### Tax withholding payments

Month	Taxes withheld
<b>Total withheld</b>	

On April 15, or the first school day afterward, sign and date this form, and give it to your Banker along with the amount owed in classroom cash. Keep a copy for your records.

### MCE Form 1040

Student name						
Avg. monthly salary	1	What is the average monthly amount you received from all your jobs? (This is the tax you are responsible for before any credits or withholding payments are applied.)		\$		
Tax credits		What credits did you earn for auction items or volunteer service in the community?				
	2	Date	<input type="checkbox"/> Auction item Approved by _____		<input type="checkbox"/> Volunteer service Where? _____	\$
	3	Date	<input type="checkbox"/> Auction item Approved by _____		<input type="checkbox"/> Volunteer service Where? _____	\$
	4	Date	<input type="checkbox"/> Auction item Approved by _____		<input type="checkbox"/> Volunteer service Where? _____	\$
	5	Date	<input type="checkbox"/> Auction item Approved by _____		<input type="checkbox"/> Volunteer service Where? _____	\$
	6	Date	<input type="checkbox"/> Auction item Approved by _____		<input type="checkbox"/> Volunteer service Where? _____	\$
Total	7	Add lines 2 through 6 and enter at right.			\$	
Tax withholding	8	If you withheld money from your salary each month to prepare for taxes, what is the total of the withheld funds recorded in your bank log?			\$	
Total credits and withholding	9	Add lines 7 and 8 and enter at right.			\$	
Amount owed (if any)	10	If line 1 is larger than line 9, subtract line 9 from line 1 and enter at right. This is the amount you must deduct from your bank log for taxes.			\$	
Amount of refund (if any)	11	If line 9 is larger than line 1, subtract line 1 from line 9 and enter at right. This is a refund that you should enter as a credit in your bank log.			\$	
Signature				Date		