



Math & the American Dream

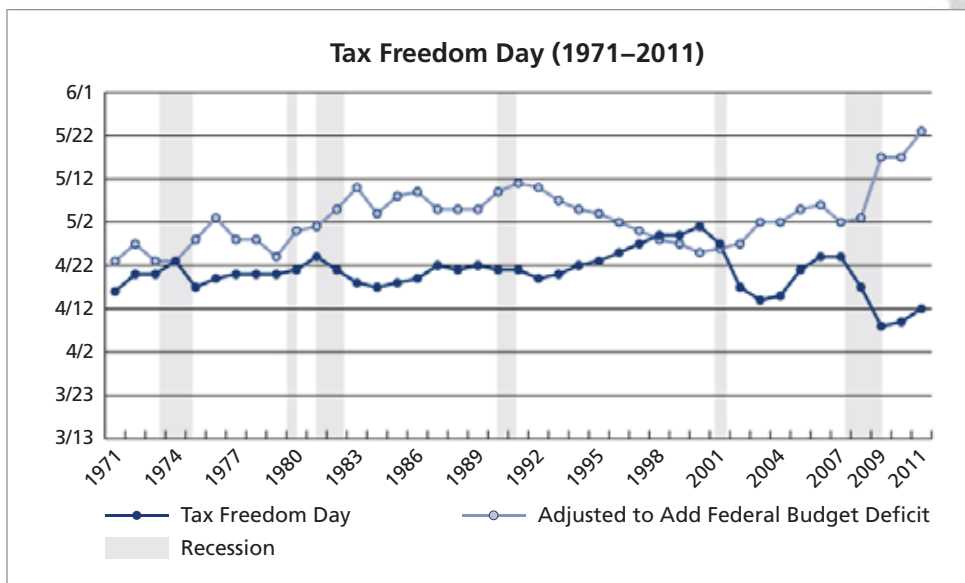
PROJECT: Finding a Tax Freedom Day



- You graduate from college and accept a job in San Francisco. You have a taxable income of \$105,000. Find the tax you pay in each category. Then find the percent of your total taxable income that you pay in taxes.

| | |
|---|--------|
| Federal income tax (Use the rates on page 212.) | _____ |
| California state income tax (Use the rates on page 213.) | _____ |
| Sales tax of 9.5% on \$35,000 for a new car | _____ |
| Sales tax of 9.5% on \$24,000 in other purchases | _____ |
| Social Security tax of 6.2% | _____ |
| Medicare tax of 1.45% | _____ |
| Gasoline excise tax of \$0.35 per gallon (30 gallons per week total) | _____ |
| Property tax of 1.164% on \$950,000 for a mortgaged home | _____ |
| Indirect taxes paid in higher prices of goods purchased | \$5000 |
| All other taxes (direct and indirect) | \$3500 |

- Tax Freedom Day* is the day in the year that the average American has earned enough to pay all the taxes that he or she must pay for the year. Find the Tax Freedom Day using the information in Exercise 1.
- Use the *My Tax Freedom Day Calculator** at *Math.andYou.com* to calculate your actual Tax Freedom Day.



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