

## 5.3–5.4 Quiz

**Pennsylvania** In Exercises 1–4, use the information and table below.

You own a \$90,000 home in Pennsylvania. The assessment level is 20%. The annual property tax rates on your home are shown.

| Taxes    | Tax Rate   |
|----------|------------|
| County   | 18.1 mills |
| Township | 2.0 mills  |
| School   | 48.0 mills |

- What is the combined tax rate?
- What is the property tax for your home?
- What is the effective property tax rate?
- County and township taxes are due by June 30. When paid by April 30, there is a 3% discount on county taxes and a 2% discount on township taxes. How much is due when you pay by April 30?

**Payroll Taxes** In Exercises 5–7, use the pay stub of a college student residing in Pennsylvania.

| Earnings                  | Hours | Rate  | Current |
|---------------------------|-------|-------|---------|
|                           | 84.50 | 10.00 | 845.00  |
| <b>Taxes</b>              |       |       |         |
| Local (flat tax of 1%)    |       |       | ?       |
| Federal                   |       |       | 52.00   |
| Social Security           |       |       | ?       |
| Medicare                  |       |       | ?       |
| State (flat tax of 3.07%) |       |       | ?       |
| PA Unemployment           |       |       | 0.67    |

- Calculate the local and state taxes.
- Calculate the Social Security and Medicare taxes.
- What percent of the earnings go to taxes?
- Retirement** A worker's annual Social Security Statement indicates that he would receive \$1072 per month by retiring at age 62, or \$1938 per month by retiring at age 70. How long would he have to live to make waiting until age 70 more economical? Assume a 3% cost-of-living increase each year.

