

Applications

It is my belief that one's salary is between an individual and the IRS.

Jessica Savitch, American Journalist

1. How can the quote be interpreted in light of what you have learned?

Round all monetary answers to the nearest dollar.

2. William Base's employer withheld \$13,956.95 in federal income tax. After completing his return, William determined that his tax is \$11,874.82. Will William get a refund or does he owe the government money?
3. Ralph is a teacher who works as a musician on weekends. Here is part of his tax worksheet: wages from teaching \$43,871.82, wages from music jobs \$15,873.00, interest \$863.90, dividends \$350.70, and royalties \$1,200.60. What is Ralph's total income?
4. Kate is filling out her income tax return. Her tax for last year is \$973. Her employer withheld \$712 in federal taxes.
 - a. Does Kate get a refund or does she owe the government money?
 - b. What is the difference between Kate's tax and the amount withheld by her employer?
5. Dale's employer withheld \$9,873.33 in federal taxes last year. His tax is \$8,792.75.
 - a. Does Dale get a refund or does he owe the government money?
 - b. What is the difference between Dale's tax and the amount withheld by his employer?
6. Katrina is single with a taxable income for last year of \$75,431. Her employer withheld \$14,870 in federal taxes.
 - a. Use the tax table from Example 2 in Lesson 7-4 to determine Katrina's tax.
 - b. Does Katrina get a refund?
 - c. Find the difference between Katrina's tax and the amount withheld by her employer.
7. Oscar is single with a taxable income for last year of \$75,555. His employer withheld \$16,381 in federal taxes.
 - a. Use the tax table from Example 2 in Lesson 7-4 to determine Oscar's tax.
 - b. Does Oscar get a refund?
 - c. Find the difference between Oscar's tax and the amount withheld by his employer.
8. Tony is paying off a car loan. The monthly payment is \$211.28. He is hoping to receive an income tax refund that is large enough to make one monthly payment. His tax is \$1,722 and his employer withheld \$2,071 in federal taxes.
 - a. How much of a refund will Tony receive?
 - b. Will Tony be able to make one car loan payment with the refund? Explain your answer.