



Subject:	Civics/Economics
Grade Level:	9 th 10 th 11 th 12 th
Unit of Study/Theme:	Average v. Marginal Tax Rates
Focus Question:	What are the main distinctions between average and marginal tax rates?

Common Core Standards:	<p>Enduring Understandings: What are the big ideas?</p> <p>D2.Civ.6.9-12. Critique relationships among governments, civil societies, and economic markets.</p> <p>D2.Civ.13.9-12. Evaluate public policies in terms of intended and unintended outcomes, and related consequences.</p> <p>D2.Eco.1.9-12. Analyze how incentives influence choices that may result in policies with a range of costs and benefits for different groups.</p>
Objective:	<p>Students will know how average and marginal tax rates are calculated.</p> <p>Students will compare the two tax rates.</p> <p>Students will learn how marginal and average tax rates combine to impact the taxpayer and economy.</p>
Essential Question(s):	<p>How are marginal and average tax rates calculated?</p> <p>What is the importance of understanding the difference between the two rates?</p>

Vocabulary/Key: tax, tax bracket, average tax rate, marginal tax rate, tax base, corporate income tax, individual income tax, taxable income
 For definitions, visit: taxfoundation.org/tax-basics#glossary

Resources/Materials: TaxEDU Glossary; supplemental handouts	
Warm Up/Hook: [Open for classroom discretion]	Time: 5 minutes
Mini Lesson: Students will work in cooperative learning groups discussing what the “marginal tax rate” and “average tax rate” are. After 5 to 10 minutes, the class will share ideas and reach a conclusion.	Time: 25 minutes
Guided Practice: Students will read together or independently the included handouts .	Time: 15 minutes
Independent Practice: Students will answer these questions in a written statement and, potentially, in an open discussion: How can the amount (real or perceived) that someone pays in taxes be influenced by the marginal tax rate? Is there an alternative to the current graduated rate system that would be more <i>simple</i> , <i>neutral</i> , <i>transparent</i> , or <i>stable</i> ?	Time: 10 minutes
Assessments: Students will complete the included assessment.	Time: 20 minutes