

# Teacher Lesson Plan

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Theme 3: Fairness in Taxes  
Lesson 1: How to Measure Fairness

## Time Frame

One to four class periods

## Curriculum Area(s)

- Civics/Government
- Economics
- Technology

## Purpose

To help students understand that people have difficulty agreeing on a “fair” tax because of different values and priorities

## Objectives

Students will be able to

- identify and describe two criterion of tax fairness: benefits received and ability to pay.
- distinguish between wealth and income as measures of ability to pay.

## Materials

### *Online*

[PowerPoint™ Presentation—Theme 3 Overview: Fairness in Taxes](#)

[Student Lesson—How to Measure Fairness](#)

[Activity 1: Tax Benefits](#)

[Activity 2: State and Local Taxes](#)

[Activity 3: What Makes Taxes Fair?](#)

[Assessment—How to Measure Fairness](#)

[Assessment Solutions—How to Measure Fairness](#)

### *Print (PDF)*

[Info Sheet—What Is Fair?](#)

[Worksheet—Tax Fairness](#)

[Worksheet Solutions—Tax Fairness](#)

[Assessment—How to Measure Fairness](#)

[Assessment Solutions—How to Measure Fairness](#)

[Complete Lesson Pack](#)

### *Web Links*

[Fairness in Taxes \*https://www.irs.gov/newsroom/taxpayer-bill-of-rights-americas-taxpayers-are-entitled-to-a-fair-and-just-tax-system\*](https://www.irs.gov/newsroom/taxpayer-bill-of-rights-americas-taxpayers-are-entitled-to-a-fair-and-just-tax-system)

## Background

In the United States, people are treated equally under the law. For example, people who have the same income should be taxed in the same way. Two principles of taxation relate to equal treatment in tax matters: **benefits received** and the **ability to pay**.

**Benefits received:** According to this principle, those who receive or benefit from public service should pay for it. People who use the toll road should pay the toll. People who use the park should pay the park fees. Some taxes work this way. It is not always easy to figure out the benefits different people receive from some public services, such as national defense.

**Ability to pay:** Some people have higher incomes or more possessions than others. Under the ability to pay principle, these people pay more in taxes simply because they can afford to pay more.

## Key Terms

**ability to pay**—A concept of tax fairness that states that people with different amounts of wealth or different amounts of income should pay tax at different rates. Wealth includes assets such as houses, cars, stocks, bonds, and savings accounts. Income includes wages, interest and dividends, and other payments.

**benefits received**—A concept of tax fairness that states that people should pay taxes in proportion to the benefits they receive from government goods and services.

## Opening the Lesson

Show PowerPoint Presentation™—Theme 3 Overview: Fairness in Taxes or present the information orally from the background information above.

## Developing the Lesson

Print and distribute Info Sheet—What Is Fair? to students. Organize students into three groups and assign each group one of the tax situations detailed on the Info Sheet. Have each group decide whether measures can be taken to make the tax fairer to everyone, or whether the tax is fair enough as is. Have each group present its decision to the class.

## Online Activities

Direct students to [Student Lesson—How to Measure Fairness](#)

Have students complete one or more of the following activities:

- [Activity 1: Tax Benefits](#)—Match the tax to the benefit received.
- [Activity 2: State and Local Taxes](#)—Take a virtual fieldtrip to learn about sales tax, property tax, and other state taxes.
- [Activity 3: What Makes Taxes Fair?](#)—Assess the fairness of different taxes and fees.

## Print Activity

Print [Worksheet—Tax Fairness](#) and distribute it to students.

[Worksheet Solutions—Tax Fairness](#)

### ***Classroom Activity***

Have students work individually or in small groups to research one of the characters below, or use your own characters. Have students write letters to a government official expressing their views on a proposed income tax to be used to generate revenues for public security and defense. Written from the point of view of their characters, letters should describe and support reasons for taking a particular position on the proposed tax. Students should consider how their character would feel about benefits received and ability to pay.

- Robin Hood
- Gandhi
- John Calvin
- Joan of Arc
- Aristotle
- Mao Zedong (Mao Tse-tung)
- Henry Ford

Assessment should be based on the support and credibility of the position taken and the quality of the writing. Share letters with the class.

### **Concluding the Lesson**

Review with students the concept of ability to pay and the differences between wealth and income. Examine benefits received as a measure of fairness. According to this principle, people who use a facility or service are the ones who should pay for it. As an example, mention the admission and parking fees that help pay for the operation and maintenance of national parks. Ask for other examples of benefits received. Remind students of the difficulty in reaching agreement on a “fair” tax because people have different values and priorities.

### ***Online Assessment***

Direct students to complete [Assessment—How to Measure Fairness](#).  
[Assessment Solutions—How to Measure Fairness](#)

### ***Print Assessment***

Print [Assessment—How to Measure Fairness](#) and have students complete it on paper.  
[Assessment Solutions—How to Measure Fairness](#)

### ***Links***

Go to [Theme 2, Lesson 3](#) or [Theme 6, Lesson 1](#) to learn more about fairness in taxes.