

Virtual Capitol Lessons

Lesson Created in Partnership with



Title: Special Taxes

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Grade Level	4
Class Period(s)	2-3 45 minute sessions + 9 weeks

Nebraska Social Studies Standards

Government
SS 4.2.10 Students will understand what goods and services state governments provide

a. Identify goods and services funded through state taxes (e.g., highways, universities, human resources, unemployment, courts)

Nebraska Science Standard

Nebraska Language Arts Standards

Nebraska Fine and Performing Art Standards

Overview

The lesson plan features:

Students will understand how a special tax was used to pay for the construction of the state capitol building. Using the novel Stone Fox by John Reynolds Gardiner, students will learn more about taxes and pay special class tax fees to pay for special class activity.

Big Idea or Theme

People pay taxes in order to provide revenue for federal, state, and local governments to fund essential workers, services, and resources.

Essential Question/s:

How does the government set up a special tax to fund a specific project?

Purpose/Rationale

Students will see the importance of taxes to our government. They will see the importance of a special tax set up to fund a special project and learn first-hand the importance of paying for a building “as you go” and not going into debt. Students will be able to demonstrate this concept and then write about their experience.

Key Concepts/Vocabulary

Goods-Objects that can satisfy people’s wants.

Services-Activities that can satisfy people’s wants.

Credit-An agreement to borrow money or receive goods or services now in return for a promise to pay later.

Earn-Obtain money in return for labor or resources.

Gross Pay-Total amount of money that the worker earned.

Income-Money received for work.

Net pay-Paycheck is for an amount less than what the worker earned.

Save-Keep money for the future.

Tax-Money that individuals and businesses pay to help support the government.

Interest-(1)Money banks pay you for keeping your money in the bank. (2)A little extra money paid for every dollar borrowed.

Materials

At least one copy of the novel, Stone Fox, by John Reynolds Gardiner (or a class set)

Grade Four Taxes document (10 pages) from Take Charge America (attached)

A Letter to Grandfather (attached)

Notebook paper

Play money (templates attached)

List of ideas for students to be taxed

List of ideas for class to spend money

Double Bubble

Objectives

The students will:

1. be able to describe the special tax set up by the Capitol Commission to pay for the construction of the State Capitol.
2. understand the importance of importance of paying for a project “as you” instead of going into debt.



Procedures

- On attached “Taxes” handout, do #1 under Large Group Activity. Set the stage for reading. Imagine you owed someone \$500. How would you pay them back. Do a quick write. Then discuss.
- Read aloud the novel, Stone Fox, by John Reynold Gardiner. (If you have a class set, you can have guided reading groups for Reading while also doing Social Studies.)
- Introduce students to the virtual tour of the state capitol. <http://nebraskavirtualcapitol.org>

Include information from Tourism Supervisor, Roxanne Smith: In 1966 Nebraska voters abolished the property tax as a funding mechanism for state government. Elected Governor in that same year and taking office in 1967, Norbert Tiemann determined the state would be funded by a combination of sales and income tax. Check out his obituary on Journal Star webpage (link in sources section). What a guy. The Capitol Mural Commission sprang from the Building Commission which took over the operation and care of the building after construction. They would have been created by the Legislature and tasked with planning and holding the competitions and then asking the Legislature for an appropriation to commission the artists to provide and install the murals. So their appropriation would have been come from the general fund which was financed by the property tax, except for the murals on 14th floor which came after 1967 in 1996 and were funded by the sales and income tax structure. Once the 14th floor murals were completed the Mural Commission was disbanded, murals were done. Personally I’m glad they waited to add the murals.....if they would have been done in the 1930’s by Thomas Hart Benton or Grant Wood, they would overshadow the Capitol and its themes.

1. Students will read and discuss page 47 of the Student Atlas of Nebraska . Compare the two photographs.
2. Tour the Nebraska state capitol building online at <http://nebraskavirtualcapitol.org> to discuss ways the Capitol Building Commission may have used special funds to build the capitol. What goods and services were used?
3. Use the video “Nebraska’s Capitol Masterpiece” (especially minutes 4:30-6:15, 19:00-21:05, 33:28-34:35, 43:10-45:45, 47:00-49:25) to discuss the Capitol Commission’s use of a special tax and a cost-saving plan to construct the capitol building. <http://netnebraska.org/interactive-multimedia/television/nebraskas-capitol-masterpiece> More information can be found on the Capitol Fund Levy Tax on the google link in the sources section and at <http://capitol.nebraska.gov/index.php/building/history/nebraska-capitols>
4. Define vocabulary terms.
5. Discuss Stone Fox using questions #2 on the attached “Taxes” handout under Large Group Activity.
6. Discuss the economic lessons from the book: earning an income, saving, credit, and taxes using #3 on the attached “Taxes” handout under Large Group Activity.
7. Do Small Group Activity Two “The Importance of Saving on page 6 of attached Grade Four Taxes document.
8. Brainstorm as a class ways students could be taxed (see the attached list but examples include use of the restroom, borrowing pencils, papers without names, etc).
9. Brainstorm as a class why students would want to save their money. What could they spend it on? What could be a big class goal like a party (see the attached list for suggestions)? Would they spend the money only at the end of the quarter or have a chance to spend it halfway through the quarter as well? Where will the “class” tax money be collected (a jar, a box, etc)? After guidelines are agreed upon, post them. Stick to the guidelines and start collecting tax money.

Assessment

Complete a copy of “A Letter to Grandfather” paper.

Compare the capitol building being built debt free (pay as you go) and the Grandfather owing the government tax money for his farm. Use the attached Double Bubble (or another chart of your choosing).

Write 3-paragraph persuasive letter to your teacher explaining why a special tax is need to be set up to fund a special class activity. Be specific.

Extensions

Use any other information on the the attached Taxes documents that weren’t used.

Learn how to calculate 7.5% sales tax.

Use the new tax system created to allow kids to earn their own individual money to purchase smaller items (see suggested list).



Sources

<http://www.kidsmoneyfarm.com/us-dollar-style-templates.htm>

Roxanne Smith, Tourism Supervisor, Office of the Nebraska Capitol Commission, P.O. Box 94696, Lincoln, Nebraska 68509-4696, www.capitol.org, 402-471-0449

http://journalstar.com/news/local/govt-and-politics/norbert-tiemann-remembered-as-dynamic-state-leader/article_85353521-69d6-5f9a-a564-27961f6fd757.html

<http://www.takechargeamerica.org/financial-education/teaching-resources/fourth-grade/>

<http://www.takechargeamerica.org/wp-content/themes/tca/pdfs/teaching-resources/grade-four-taxes.pdf>

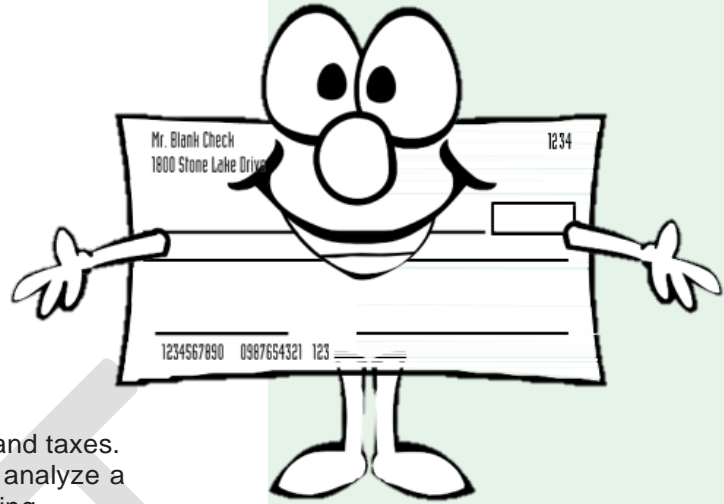
<https://www.google.com/search?tbo=p&tbm=bks&q=isbn:080321572x> , Capitol Fund Levy tax, page 218

NET video

DRAFT



Taxes



Overview

Students share several chapters of the book *Stone Fox*, by John Reynolds Gardiner, to learn about earning money, saving, credit, and taxes. Students complete a work-sheet on taxes and paying off debts, analyze a paycheck, calculate sales tax, and discuss the importance of saving.

Lesson Objectives

Students will be able to:

- Define the term *credit*
- Describe the benefits of saving money in a savings account at a bank
- Explain how people can earn an income
- Define the term *tax*, and explain why the government must tax citizens

Prerequisite Skills

Students should be able to read decimal numbers.

Materials List

1. Book: *Stone Fox*, by John Reynolds Gardiner (Harper Trophy, 1980)
2. Calculators (enough for each student in small groups to have one)
3. Copies of a paycheck stub (enough for each student in small groups to have one copy)
4. Store catalogs (enough for each student in small groups to have one)
5. Notebook (or writing) paper
6. Handout: A Letter to Grandfather worksheet

Content Standards

The activities in this lesson correlate to national standards in economics, mathematics, and language arts. See the end of this lesson for content standards information.

Vocabulary

credit
earn gross
pay
income
net pay
save
tax

Large-Group Activity

Materials

- Book: *Stone Fox*
 - Handout: A Letter to Grandfather worksheet
1. Gather students in the reading corner to share the book *Stone Fox*, by John Reynolds Gardiner.



Say:

Imagine that you owed someone lots of money. How would you get the money to pay this person back? Allow students to respond.

I'm going to read you a book called *Stone Fox*. It was written by John Reynolds Gardiner. This book is about a family that owes 500 dollars to the State. Let's see how Willy earns the 500 dollars.



Read chapters one through six aloud to students.

2. Discuss the book with the class.



What is wrong with Grandfather?

According to Doc Smith, Willy's grandfather has given up on life. Doc Smith thinks that Willy's Grandfather may owe someone money.



How did Willy and Grandfather earn money?

Willy and Grandfather grew potatoes.



How did Willy get the items he needed when Grandfather got sick?

Willy got everything on credit against next year's crop.



Who helped Willy harvest the potatoes?

Willy's dog, Searchlight, pulled the plow.



What did Willy do with the potatoes he harvested?

Willy sold the potatoes to Mr. Leeks.



How much money did Willy have?

Willy had fifty dollars.



What did Grandfather want Willy to do with the money he had in his savings account?

Grandfather wanted Willy to use the money for college.



Why was Grandfather sick?

He owed the tax collector 500 dollars.



What will happen if Willy and Grandfather don't pay the taxes?

They will lose the farm.



What did the president of the bank tell Willy to do?

He told Willy to sell the farm and pay the taxes.

- What did Willy decide to do to raise the money for the taxes?
Willy decided to enter the National Dogsled race and try to win the 500 dollars.

3. Discuss this lesson’s economic concepts: earning an income, saving, credit, and taxes.

Earning an Income

Why do people need money?

Have students share their ideas. Students may say that people need money to purchase goods and services.

What do most people do to get money?

Students may say that most people work to earn money. They exchange their physical or mental work for money.

In this story, Willy and Grandfather grew potatoes. They sold the potatoes in exchange for money. Name some other things people do to earn money. Allow students to respond.

Saving

Grandfather thought it was important for Willy to **save** the money he earned. When you save money, you keep it for the future instead of purchasing items immediately. Where did Willy save his money?

Willy saved his money in a savings account at a bank.

Many people save their money in a savings account at a bank. Banks usually pay you **interest** for keeping your money in the bank. This means the bank pays you a certain amount of money each year for every dollar you have in the bank. When you want your money, the bank will give you your money plus interest. In *Stone Fox*, the president of the bank didn’t want to give Willy his money because he wanted Willy to save the money for college. But because it was Willy’s money, he had to give it to him.

Credit

Imagine that you want to purchase something, but you don’t have enough money to purchase the item. What can you do?

Let students share their ideas. Students may say that they can earn some money, save the money they earn until they have enough money to purchase the item, or they can borrow money.

How did Willy purchase the items he needed when he didn’t have any money?

Willy got everything on credit against next year’s crop.

When Willy didn’t have any money, Lester let him purchase everything on **credit**. Credit is an agreement to borrow money or receive goods or services now in return for a promise to pay later. When people purchase items on credit, they usually have to pay **interest**. This means they must pay a little extra money for every dollar they borrow.

If needed, explain the term “mental work” with examples of careers such as accountants and authors.

Why do you think Lester let Willy purchase items on credit? Allow students to share their ideas.

Lester let Willy purchase items on credit because he knew Willy would be able to pay him back when he harvested the potatoes. Why wouldn't the president at the bank loan Willy 500 dollars to pay taxes? Allow students to respond. Students may say that the president at the bank knew that Willy wouldn't be able to repay the money.

Lenders are more likely to loan money to people who have a good history of repaying loans. Lenders also look at whether or not you will earn enough money to repay the loan. Would you loan someone money if you knew that he or she would never be able to earn money to pay you back? Would you loan someone money if you knew he would not make money in the future? Have students respond.

Taxes

Name some services that the local, state, and federal governments provide.

Allow students to respond. Students may state that the federal government is responsible for defense, foreign relations, or regulation of agricultural products. State governments maintain state highways, help fund public education, and help fund public healthcare services. Local governments are responsible for police and fire regulations.

You might want to list these three categories of services (federal, state, and local) on the board.

How do you think local, state, and national governments pay for these services? Have students share their ideas. Students may say that the government collects taxes.

Local, state, and national governments get most of their money from **taxes**. A tax is money that individuals and businesses must pay to help support the government. People have taxes taken out of their paychecks. People also pay taxes on items they buy and on property they own.

2. Have students complete the A Letter to Grandfather worksheet.

 Hold up a copy of the A Letter to Grandfather worksheet.

Many people in *Stone Fox* told Willy he should sell the farm and pay the taxes. But Willy did not listen to these people. Instead, he decided to enter a dogsled race and try to win the money he needed to pay the taxman. Willy took a big risk. He had to use his only savings to pay the entrance fee for the race, so he risked losing all of his savings as well as the farm. If you were Willy, what would you do?

On this worksheet, write a letter to Grandfather that explains why the government must collect taxes, discusses the consequences of not paying your taxes, and describes what you have decided to do to settle your debts and why.

Allow students to work on this worksheet while you work with individual groups in the following small-group activities. After small-group work you might want to have students share their letters.

Small-Group Activity One: A Closer Look at Taxes

Concept Taught

Taxes

Materials

- Book: *Stone Fox*
- Copies of a paycheck stub (enough for each student in small groups to have one)
- Store catalogs (enough for each student in small groups to have one)
- Calculators (one for each student in small groups)

1. Begin Activity One: A Closer Look at Taxes.

🌟 Say:

There are many different types of taxes. The two types of taxes that have the greatest impact on you are income taxes and sales tax.

Let's talk about income tax first.

Give each student a copy of a paycheck stub.

This is a copy of a paycheck stub. Look at this stub and tell me, how much did this worker earn?

Point out the total earnings on the paycheck stub.

The total amount of money that the worker earned is called **gross pay**. Look closely at the amount of money that was paid to this worker. How much money did this worker actually receive?

Show students the net pay on the paycheck stub.

This paycheck is for an amount less than what the worker earned. This amount is called **net pay**. Why did this worker receive a check for less than the amount of money earned?

Local, state, and national governments collect taxes.

If you look at this paycheck stub, you will see that money was with-held from the worker and given to local, state, and national governments. The money that has been taken out for local, state, and national governments is called **income tax**.

2. Explain how to calculate sales tax.

🌟 Now let's talk about sales tax. In most states, individuals have to pay a **sales tax** when they purchase goods and services. A sales tax is generally calculated as a percentage of the selling price. Each state has a different sales tax. Does anyone know what the sales tax is in our state? Allow students to respond. Answers will vary depending on where you live.

Give each student a calculator.

To calculate sales tax, multiply the price of the item by the sales tax rate. For example, the sales tax in Massachusetts is 5 percent.

Imagine that you are in Massachusetts, and you want to buy some-

You may want to explain any other deductions on the pay stub, but keep the focus on the taxes.

thing that costs 15 dollars. To calculate the sales tax, multiply \$15.00 by 5 percent (.05). When you use a calculator to do this, you do not have to enter “=.” The answer will automatically appear. Show students how to do this on a calculator.

The sales tax is \$0.75. To determine what the final price is, add \$15.00 plus \$0.75. Show students how to do this on a calculator. The final price is \$15.75.

3. Have students practice calculating the final price of items after sales tax.

- Give each student a store catalog. Look through the store catalog, and pick one item to purchase. Calculate what the final price will be for the item after taxes.

Have each student share with the group what he or she decided to purchase and explain how to calculate the final price for the item.

Small-Group Activity Two: The Importance of Saving

Concept Taught

Saving

Materials

- Book: *Stone Fox*
- Notebook (or writing) paper

1. Begin Activity Two: The Importance of Saving.

- Say:

Why do you think Grandfather thought that it was important for Willy to save money for college? Allow students to respond. Students may say that Grandfather knew Willy would be able to get a better paying job if he went to college.

Sending Willy to college was an important goal for Grandfather. Grandfather knew that college tuition would be expensive, so he decided to set aside money now in hopes of reaching his goal.

Name something you would like to purchase in the future, but don't have the money for. Allow students to respond.


If you would like to purchase these items in the future, you should save your money. When you save for the future, you need a lot of patience. You also have to give up some things that you may want to purchase immediately. However, when you reach your savings goal, you will probably decide that giving things up along the way was a good idea.

When you first start saving money, you need to decide how much money you can set aside each day or week. Keep in mind, that even just a little bit of money can add up. If you save 50 cents every day for one year, you will have more than 175 dollars by the end of the year! If you put seven dollars in a savings account at a bank every week and earn 5 percent interest, you will have \$4,720.00 saved in

Students at this level don't learn about compounded interest. The example is used to explain the concept only.

10 years! Name some things you can give up in order to save seven dollars every week.

Have students share their ideas. Students may say that they can give up eating out or going to the movies.

 Have students create a script for a radio program.

Imagine that the local radio station has just invited you to speak on its weekly talk-show program about finances. The station manager wants you to talk about why it is important to save. As a group, write a script for this program. You should explain why it is important to save and explain how a little money can add up.

Have students write a script. If time permits, allow all the groups to share their scripts with the class.

Assessment

Check students' understanding by listening carefully to the responses they give during group discussions and on the A Letter to Grandfather worksheet. Give students a blank piece of notebook paper. Have them write an advice column for the local newspaper that explains why it is important to save.

Suggested Online Activity

NOTE: Teachers should preview all sites to ensure they are age-appropriate for their students. At the time of publication, all URLs listed here were valid. In addition, some Web sites provide lessons via pop-up screens, so you may have to disable your computer's pop-up blocker software to access them.

Growing Money

Have students visit Maryland Public Television's Sense and Dollars Web site at senseanddollars.thinkport.org/saving/growingmoney.html and play the Growing Money game. Students will learn how they can make more money over time by saving and investing their money.

National Standards Correlations

Economics

The activities in this lesson correlate to the following Voluntary National Content Standards in Economics, as determined by the National Council on Economic Education, found at: www.ncee.net/ea/standards.

Standard 13: Role of Resources in Determining Income

Students will understand that: Income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of what they produce and how productive they are.

K–4 Grade Benchmarks:

- People can earn income by exchanging their human resources (physical or mental work) for wages or salaries.

Standard 10: Role of Economic Institutions

Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, [and] clearly defined and enforced property rights, [are] essential to a market economy.

K–4 Grade Benchmarks:

- Banks are institutions where people save money and earn interest, and where other people borrow money and pay interest.
- Saving is the part of income not spent on taxes or consumption.

Standard 16: Role of Government

There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Most government policies also redistribute income.

K–4 Grade Benchmarks:

- Governments provide certain kinds of goods and services in a market economy.
- Governments pay for the goods and services they use or provide by taxing or borrowing from people.

Mathematics

In addition to economics, the activities in this lesson also correlate to the following *Principles and Standards for School Mathematics*, from the National Council of Teachers of Mathematics, found at: standards.nctm.org/document/index.htm.

Numbers and Operations Standards

Understand numbers, ways of representing numbers, relationships among numbers, and number systems

3-5 Grade Benchmarks:

- Develop fluency in adding, subtracting, multiplying, and dividing whole numbers.

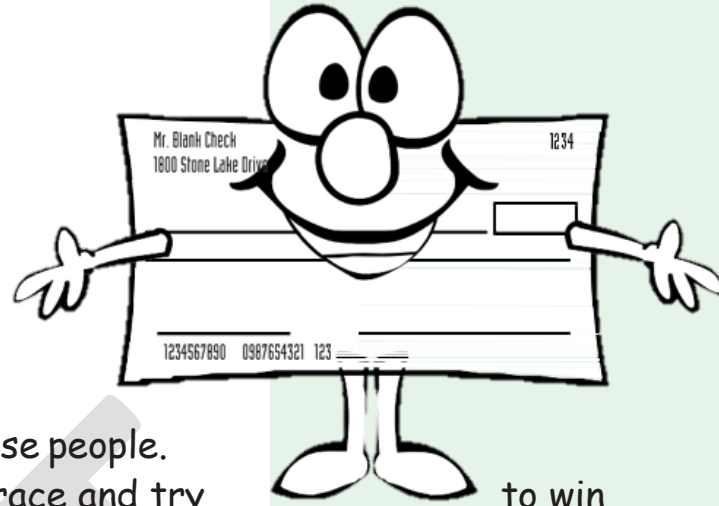
Language Arts

This lesson, based on the children's book *Stone Fox*, by John Reynolds Gardiner, also correlates to the following *Standards for the English Language Arts*, from the National Council of Teachers of English, found at:

www.ncte.org/print.asp?id=110846&node=204.

1. Students read a wide range of print and non-print texts to build an understanding of texts, of themselves, and of the cultures of the United States and the world; to acquire new information; to respond to the needs and demands of society and the workplace; and for personal fulfillment. Among these texts are fiction and nonfiction, classic and contemporary works.
2. Students apply a wide range of strategies to comprehend, interpret, evaluate, and appreciate texts. They draw on their prior experience, their interactions with other readers and writers, their knowledge of word meaning and of other texts, their word identification strategies, and their understanding of textual features (e.g., sound-letter correspondence, sentence structure, context, graphics).

Name _____



Directions:

Many people in Stone Fox told Willy he should sell the farm and pay the taxes. But Willy did not listen to these people. Instead, he decided to enter a dogsled race and try to win the money he needed to pay the taxman. Willy took a big risk. He had to use his only savings to pay the entrance fee for the race, so he risked losing all of his savings as well as the farm. If you were Willy, what would you do? In the space provided below, write a letter to Grandfather that explains why the government must collect taxes, discusses the consequences of not paying your taxes, and describes what you have decided to do to settle your debts and why.

Handwriting lines for writing a letter.

Class Taxes

Restroom

Sharpen Pencil

Blurting

Burping

Not checking in for lunch

Class Rewards

Extra Recess

Electronic Time

Pillow & Treat Free Time

Board Game Time

Individual Rewards

Free Assignment Pass

No Shoes in Class

Wear Hat in Class

Bring a Stuffed Animal

Special Sharing Time

Sit by Friend at Lunch

Virtual Capitol Lessons

Grandfather

Double Bubble

Capitol

