

Unit 4: Economics of the Public Sector

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Journal #1

What does it mean for a business to franchise?

Why would a business franchise?

Why would someone want to become a franchisee?

Journal #2

Which economic role of the government is the most important? Explain why

Which economic role of the government is the least important? Explain why

Journal #3

What do you think the role of government should be when it comes to economics?

Explain the pros and cons of your response and use examples

Journal #4

Define the 3 tax structures and explain the rationale for each tax structure.

Journal #5

What are the ways in which state and local governments raise revenue?

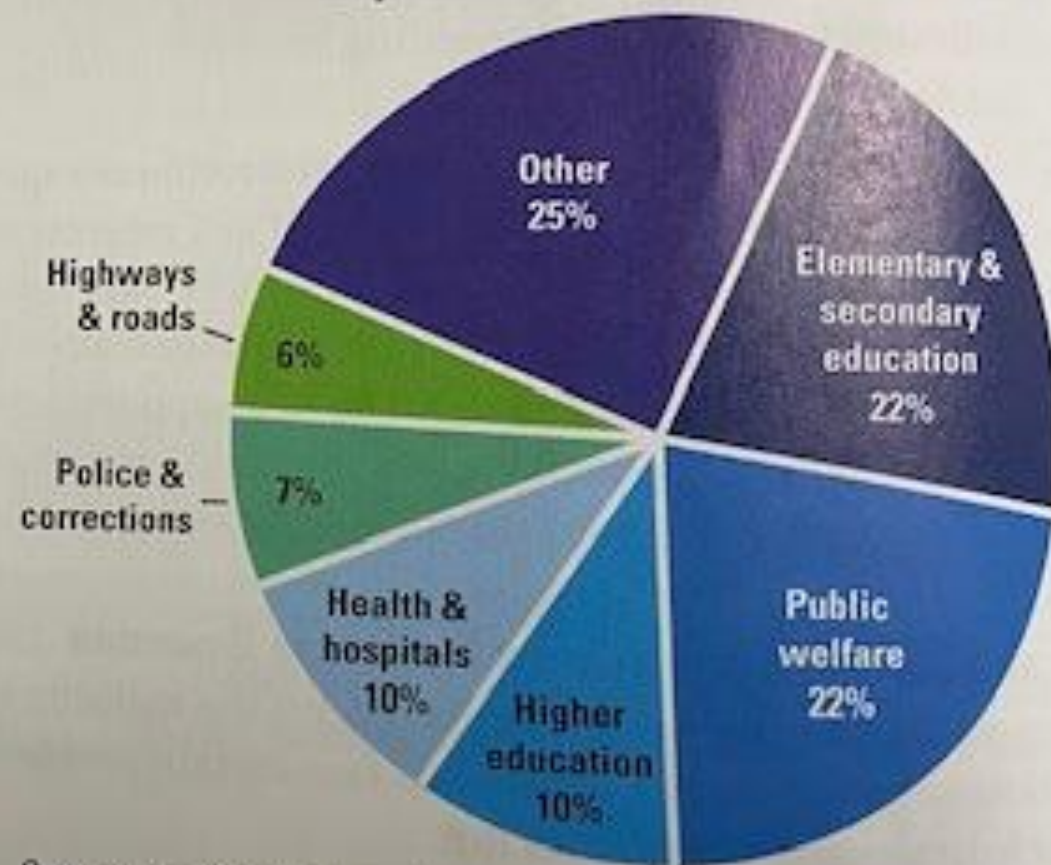
What is that revenue used for?

Analyzing State and Local Spending Revenue ▼

Revenue by Source, 2015



Expenditure by Function, 2015



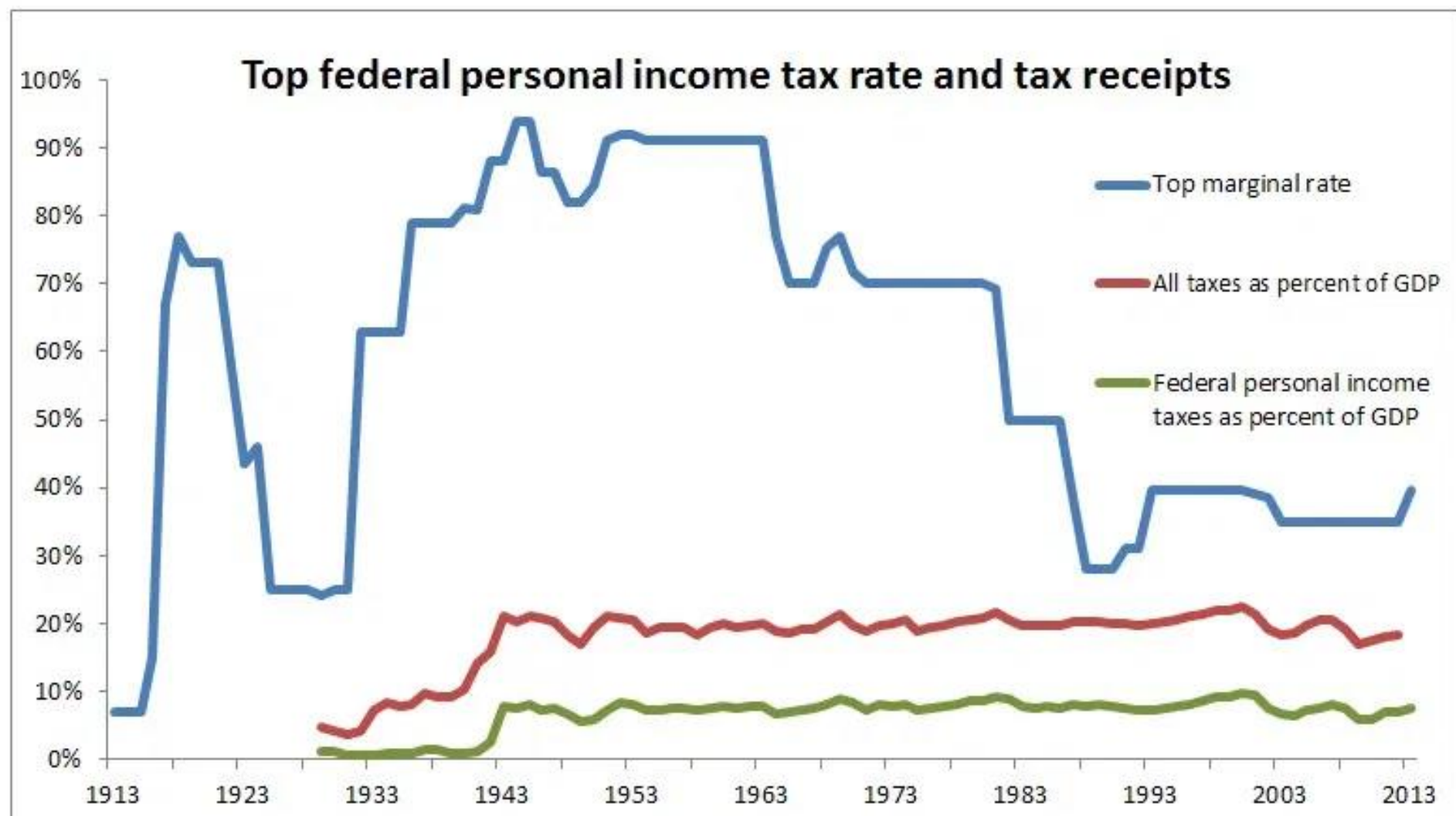
Source: U.S. Census Bureau. Note: Percentages do not add to 100 due to rounding.

2019 tax brackets

RATE	SINGLE FILERS	MARRIED FILERS
10%	\$0 – \$9,700	\$0 – \$19,400
12%	\$9,701 – \$39,475	\$19,401 – \$78,950
22%	\$39,476 – \$84,200	\$78,951 – \$168,400
24%	\$84,201 – \$160,725	\$168,401 – \$321,450
32%	\$160,726 – \$204,100	\$321,451 – \$408,200
35%	\$204,101 – \$510,300	\$408,201 – \$612,350
37%	\$510,301+	\$612,351+
	Standard Deduction: \$12,200 Personal Exemption: Eliminated	Standard Deduction: \$24,400 Personal Exemption: Eliminated

2019 Adjusted Gross Income

Income Tax Rate	Single	Married, Filing Jointly	Rate on Long-Term Capital Gains and Qualified Dividends	Single	Married, Filing Jointly
10.0%	\$0-\$9,700	\$0-\$19,400	0.0%	\$0-\$39,375	\$0-\$78,750
12.0%	\$9,701-\$39,475	\$19,401-\$78,950	15.0%	\$39,376-\$434,550	\$78,751-\$488,850
22.0%	\$39,476-\$84,200	\$78,951-\$168,400	20.0%	\$434,551 and above	\$488,851 and above
24.0%	\$84,201-\$160,725	\$168,401-\$321,450	Investment Surtax Rate		
32.0%	\$160,726-\$204,100	\$321,451-\$408,200			
35.0%	\$204,101-\$510,300	\$408,201-\$612,350			
37.0%	\$510,301 and above	\$612,351 and above	3.8%	\$200,000	\$250,000

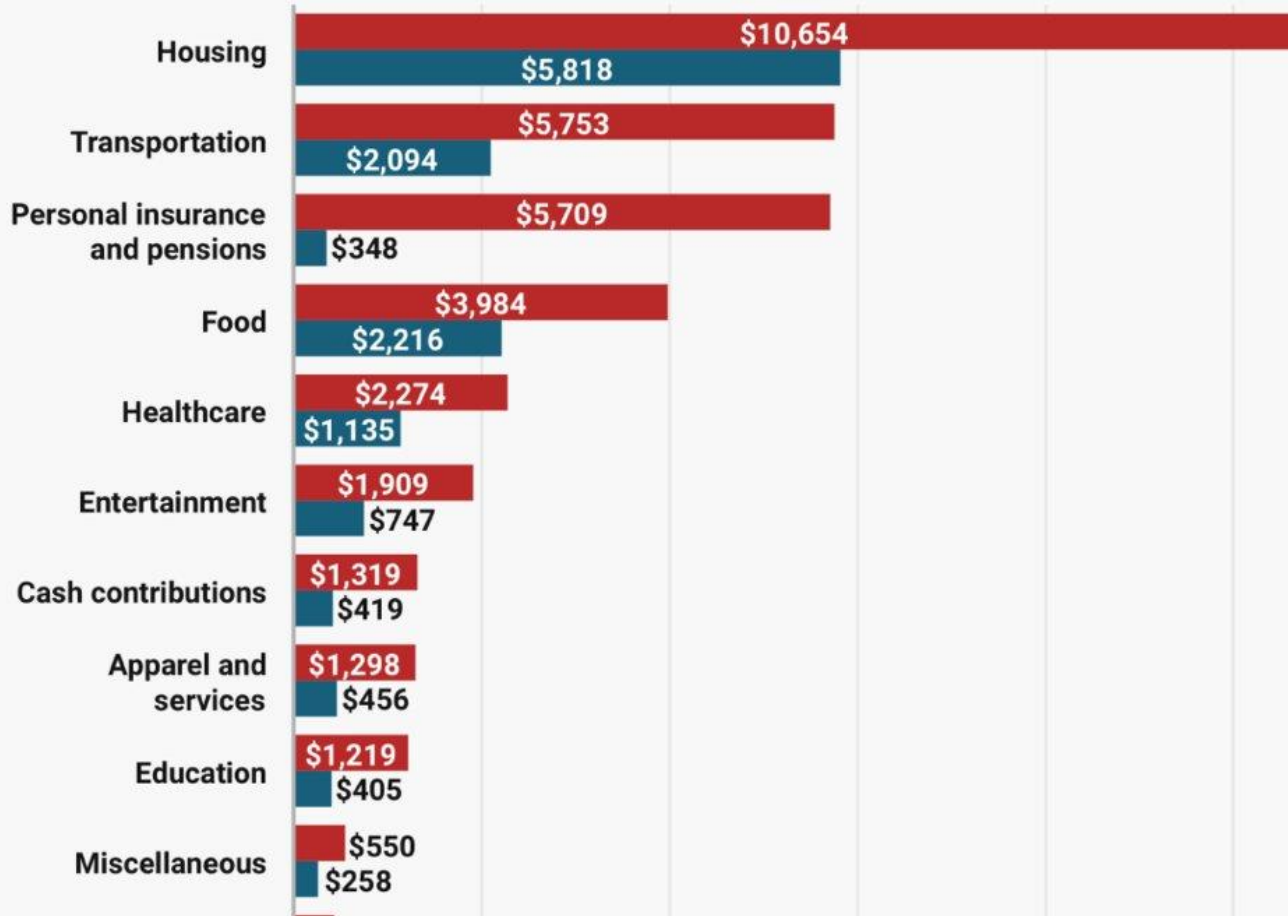


Married Individuals Filing Joint Returns and Surviving Spouses

If Taxable Income Is Between:	The Tax Due Is:
0 - \$19,400	10% of taxable income
\$19,401 - \$78,950	\$1,940 + 12% of the amount over \$19,400
\$78,951 - \$168,400	\$9,086 + 22% of the amount over \$78,950
\$168,401 - \$321,450	\$28,765 + 24% of the amount over \$168,400
\$321,451 - \$408,200	\$65,497 + 32% of the amount over \$321,450
\$408,201 - \$612,350	\$93,257 + 35% of the amount over \$408,200
\$612,351 +	\$164,709.50 + 37% of the amount over \$612,350

AVERAGE ANNUAL SPENDING FOR INDIVIDUALS BY INCOME

■ Top 20% ■ Bottom 20%



How The Poor, The Middle Class And The Rich Spend Their Money

