Applied Business

Tax Unit Test Study Guide

1. Types of Taxes:
   1. Income
   2. Payroll
   3. Property
   4. Excise
   5. Sales
2. Social Security
3. Medicare
4. Employers pay (more than the same as less than) employees for social security and Medicare tax.
5. How do you benefit from the taxes collected by our government?
6. Types of Pay:
   1. Paper paycheck
   2. Direct deposit
   3. Payroll card
7. What are deductions?
8. What is year-to-date on a paycheck?
9. What is worker’s compensation?
10. Calculate total deductions and net pay:

Thomas earned $26,765 for a year in gross pay. He paid the following in taxes:

Federal tax = ,$4,817.70

State tax = $1,003.70

Soc. Sec. = $1,659.43

Medicare = $ 388.10

Calculate Total Deductions and Net Pay for the following:

Jill earns $10.50 per hour. She works 80 hours per monthly pay period (every paycheck is the same hours and rate).

Federal Tax = $100.80

State Tax = $ 31.50

Soc. Sec. (6.2%)

Medicare (1.45%)

If this was Jill’s paycheck for May (5th month) what is her year-to-date Net Pay?