

Name _____

Date _____

Class _____

Instructor _____

STUDENT ACTIVITY**Chapter 2****Internet Extension**
A Taxing Situation**EXPLORE**

It's an old cliché but nothing is certain except death and taxes. When people or businesses attempt to evade paying taxes, they often pay a far greater price than their original tax bill.

DIRECTIONS

Complete the following worksheet by researching the Internet to find out what happens when a person fails to file an income tax return. Document several cases of tax evasion that have appeared in news items online.

Keywords: _____

Web Sites: _____

NET RESULTS

- | | |
|--|--|
| 1. Name of Person or Business
Convicted of Tax Evasion | |
| 2. URL Where You Found This Story | |
| 3. Name of Second Person or
Business Convicted of Tax Evasion | |
| 4. URL Where You Found This Story | |

STUDENT ACTIVITY *(continued)*

Chapter 2

CRITICAL THINKING QUESTIONS

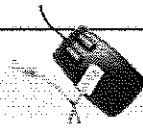


1. Are tax offenders punished to the same degree as other criminals? Why or why not?

2. How can a person or business best be prepared for a possible audit by the Internal Revenue Service?

3. In what ways are your federal tax dollars used?

EXTENSION EXERCISE



Download the 1040EZ income tax form online at www.irs.gov. Based on a single person who earned \$25,000 in total wages, had no taxable interest to claim, could not be claimed by their parents, and had \$2,800 in federal income tax withheld, fill out the form. You will also need to access the 1040EZ instruction booklet online to complete this exercise. Did you receive a refund or owe additional taxes?