

Teacher Lesson Plan

Module 5: Filing Status

Time Frame

One to two hours

Curriculum Area(s)

- Technology
- Civics/Government
- Family and Consumer Sciences
- History/Social Studies
- Economics

Purpose

To help students understand how filing status affects tax rates and how to choose the appropriate filing status for the taxpayer

Objectives

Students will be able to

- list the five filing statuses.
- determine the best filing status for the taxpayer.

Materials

Online

[Student Lesson—Filing Status](#)

[Tax Tutorial—Filing Status](#)

[Simulation 5—Identifying Filing Status and Dependents](#)

[Assessment—Filing Status](#)

[Assessment Solutions—Filing Status](#)

Print (PDF)

[Fact Sheet—Filing Status](#)

[Teacher Lesson Plan—Filing Status](#)

Background

The **filing status** determines the rate at which income is taxed. There are five filing statuses:

- Single
- Married filing jointly
- Married filing separately
- Head of household
- Qualifying surviving spouse

A taxpayer may be able to qualify for more than one filing status. Usually, the taxpayer will choose the filing status that results in the lowest tax.

Key Terms

filing status—Filing status impacts the calculation of income tax, affects the amount of the standard deduction, and determines allowance or limitation of certain credits and deductions. The five filing statuses are: single, married filing jointly, married filing separately, head of household, and qualifying surviving spouse.

Single filing status—If, on the last day of the year, you are unmarried or legally separated from your spouse under a divorce or separate maintenance decree and you do not qualify for another filing status.

Married Filing Jointly filing status—You are married and both you and your spouse agree to file a joint return. (On a joint return, you report your combined income and deduct your combined allowable expenses.)

Married Filing Separately filing status—You must be married. This filing status may benefit you if you want to be responsible only for your own tax or if it results in less tax than a joint return. If you and your spouse do not agree to file a joint return, you may have to use this filing status.

Head of Household filing status—You must meet the following requirements: 1. You are unmarried or considered unmarried on the last day of the year. 2. You paid more than half the cost of keeping up a home for the year. 3. A qualifying person lived with you in the home for more than half the year (except temporary absences, such as school). However, your dependent parent does not have to live with you.

Qualifying Surviving Spouse filing status—You may be eligible to use qualifying surviving spouse as your filing status for two years following the year of death of your spouse. This filing status entitles you to use joint return tax rates and the highest standard deduction amount (if you do not itemize deductions). This status does not entitle you to file a joint return.

Opening the Lesson

Distribute [Fact Sheet—Filing Status](#). Use the following question to prompt students to share their knowledge of filing status:

- Why must taxpayers identify themselves as single or married on the tax return?
Tax rates differ, depending on what filing status the taxpayer chooses. For example, single taxpayers pay tax at higher rates than do married taxpayers who file joint returns.

Explain that this lesson focuses on the five filing statuses that taxpayers can choose.

Note: For students who may want to work independently on this module, refer them to [Student Lesson—Filing Status](#).

Developing the Lesson

Direct students to [Tax Tutorial—Filing Status](#), and explain that this tax tutorial focuses on filing statuses. Tell students that they will learn how different filing statuses affect the tax liability. Also, they will learn how to choose the appropriate filing status for the taxpayer’s circumstances. Inform students that taxpayers may be eligible to claim more than one filing status. Usually, the taxpayer will use the filing status that results in the lowest tax.

Online Activity

Direct students to [Simulation 5—Identifying Filing Status and Dependents](#). Explain to students that they will answer a series of questions to determine the filing status for Joshua Bell. Students will see how the information they provide is used to complete the filing status and exemption section of the income tax return for Joshua Bell.

Concluding the Lesson

After students have completed [Tax Tutorial—Filing Status](#) and [Simulation 5—Identifying Filing Status and Dependents](#), ask whether they have questions about filing status. To ensure that they understand the material, ask the following questions:

- List the five filing statuses.
single, married filing jointly, married filing separately, head of household, and qualifying surviving spouse
- Which taxpayers pay income tax at the highest rates and the lowest rates?
The highest tax rates apply to taxpayers who use the married filing separately filing status. The lowest tax rates apply to taxpayers who use either the married filing jointly or qualified surviving spouse filing status.

Assessment

As a final review, summarize the major lesson points. Remind students that the filing status determines the tax rates. Tell them that taxpayers who are eligible to claim more than one filing status usually choose the filing status with the lowest tax rates. When students are comfortable with the material, have them complete [Assessment—Filing Status](#).