Name _____

Tax Refunds and Tax Liability: The Money Dance of Taxes!

Open-Ended Response Questions

1. Imagine you earned $50,000 this year, and your tax liability is $6,000. You've already paid $5,500 in taxes throughout the year. Explain what will happen when you file your tax return and why.

2. If someone receives a large tax refund, what could they do with the extra money to benefit their financial situation?

3. Can your tax liability change from year to year? Provide an example of a situation where it might increase or decrease.

4. Why is it essential to review your withholdings periodically? Give two reasons for doing so.

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