

Name \_\_\_\_\_

## Decoding Income Taxes: How Your Income is Taxed and Understanding Tax Brackets

### Short Answer

1. What is the difference between gross income and taxable income?
2. Can you explain how marginal tax rates work in income tax brackets with an example?
3. Why is it important to understand the concept of effective tax rates?
4. What are some common misconceptions about income tax and tax brackets?
5. How does filing income tax returns benefit individuals and the government?

