

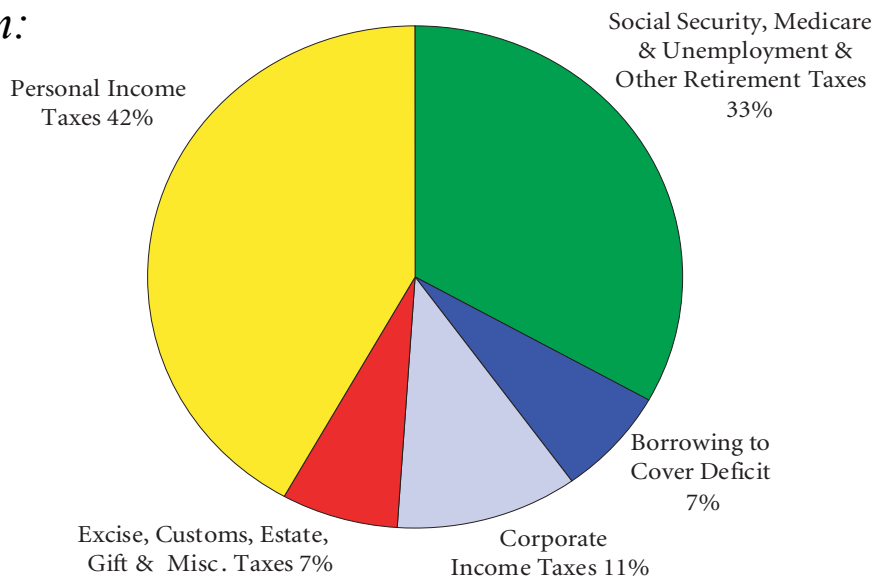
Part I: Your Tax Dollars

Where Your Federal Tax Money Is Spent

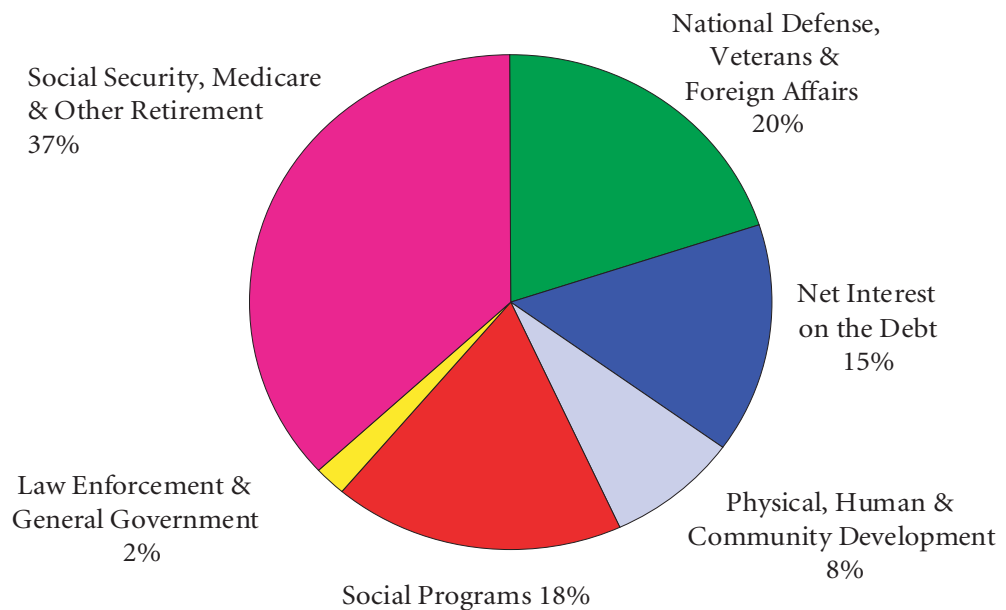
More information can be found on the Internal Revenue Services (IRS) Web site, called TAXI, at

<http://www.irs.gov/individuals/page/0,,id%3D15615,00.html>

Where it came from:



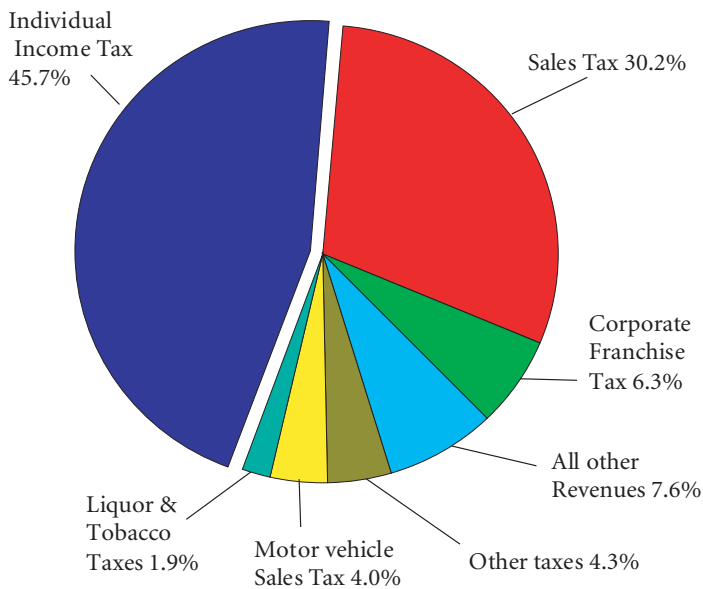
Where it went:



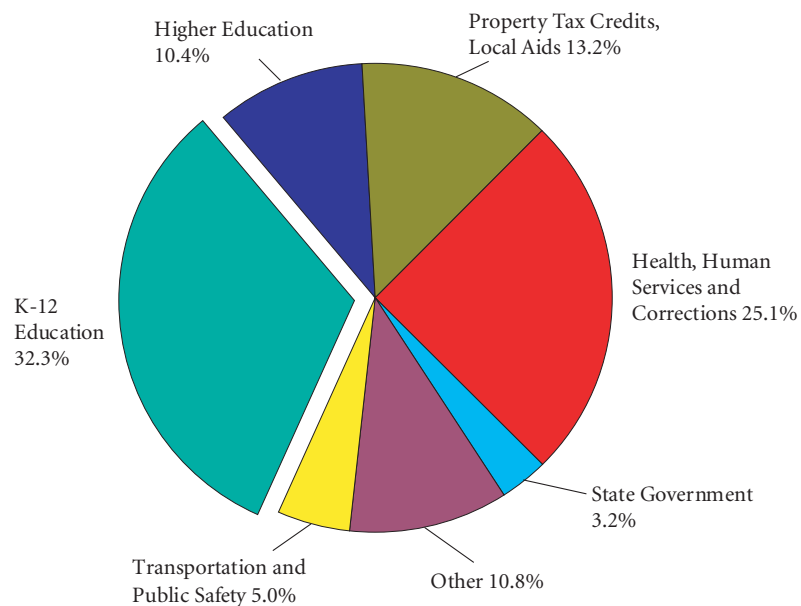
Where Your State Tax Money Is Spent

More information can be found on the Minnesota Department of Revenue Web site at:
<http://www.taxes.state.mn.us/reports/landbk00.pdf>

Where it came from:



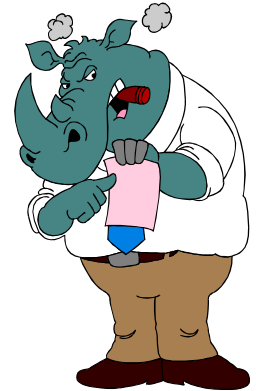
Where it went:



*Minnesota State General Fund Revenues and Expenditures – Fiscal Year 2000

Do you have to file?

If you have wages of more than \$4,700 in a calendar year or you have interest, dividends or a capital gain of more than \$750, you must file federal and state income tax returns. The standard deduction for individuals who have earned income is \$4,700. The standard deduction for individuals with unearned income such as interest, dividends and/or capital gains is \$750. If your income is less than the standard deduction, you are not required to file. However, if you have federal and/or state income tax withheld from your check, you should file a return in order to get a refund of tax that was withheld.



Definitions

A **dependent** is an individual who receives more than 50% of his or her support from someone else.

Support means money for education, medical expenses, food, transportation, housing, clothing, recreation, utilities, and miscellaneous items. Most high school students are claimed as dependents on tax returns filed by their parent(s) because parents usually provide more than 50% of a child's financial needs.

Exemption means freedom from an obligation or liability. In terms of taxes, it is a certain amount of income on which you do not have to pay any tax. The current exemption amount is \$3,000. *If you are a dependent of someone else*, your exemption amount would be zero.

Filing Status, taxpayers are required to choose a filing status on their tax returns. Most students would file using the **single** status. Filing status is determined on December 31 of each tax year.

Income tax returns must be filed by April 15th of each tax year.

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