

## Answers

### Chapter 12 – Planning Your Tax Strategy

1. 100%
2. 10%
3. 5.1%
4. 5.37% The return is higher by 0.27%
5. 15%
6. 10%
7. 4.32%
8. 28%
9. 20%

## Teaching Tips

### Chapter 12 – Planning Your Tax Strategy

1. Have the students research the history and purpose of the capital gains tax. Ask them to create a timeline of when it first became part of the tax code, rate changes as they occurred, and the current tax rate. Then ask them to predict the future of the capital gains tax.
2. In groups of four, ask students to research the flat tax concept versus the current variable tax structure. Then, have them debate the pros and cons of each.
3. Using the Web site for the IRS (<http://www.fdic.gov>), ask the students to research the careers with the IRS. Ask them to choose one career they would be most interested in and determine what they would need to do to prepare for it.