

Town Hall discussion on Taxation “What’s Your two cents?”



I created this activity in order to teach about taxation in my economics class. I wanted to do something that allowed students to be placed in a situation much like the one in their own community, dealing with a decreasing tax base. In this activity the objective is to have students discuss the different strategies local governments face when it comes to increasing the tax base. I wanted to give students a voice in the classroom and treat the discussion as if we were in a “town hall meeting”. The strategy I chose is a structured approach to a discussion that appears to be unstructured. Students are given two pennies and they must give their “two cents” in order to get participation points for that assignment.

- Students were given different occupations (ranging from doctor to unemployed), # of individuals in their household, amount of (\$) income, and amount of (\$) wealth.
- Students were given a problem and had to evaluate the potential ways to solve the issue.
 - Problem 1: State Government mandate requiring school lunches to become healthier to deal with the growing number of obese students and unhealthy lifestyles. Nutrition Standards are inadequate. St. Johns must pay to fix it. (\$50,000)(Similar to St. Johns)
 - Problem 2: Federal Government mandate requiring St. Johns to fix its sewer system. The EPA has discovered traces of sewage seeping into ground water and are requiring St. Johns to fix the entire system (\$50,000).
- Students are given 4 plans of tax increases the night before and need to decide who the tax benefits and what type of tax is enforced.
- In the middle of the discussion over the different taxes and which is best for the community, an alternative option is presented: a Chemical company is interested in coming to the town.
- Ask students for benefits of this company. → Absorb unemployment, generate revenue in corporate income tax, and new property tax revenues.
 - Essentially this would fix the problem, however this would also come with some costs: New traffic lights/new railroad crossing, new waterline, electrical power lines.
 - ALSO → Unintended consequences: Air/Water pollution/Chemical factory right by schools/toxic waste problems/increased population density/
- After every comment, students would deposit a penny to the teacher (essentially giving their *two cents* to the discussion.
- Teaching: Fiscal policy, tax base, Cost and Benefit analysis, environmental issues.

ABSTRACT:

How does this meet the Enduring Understanding?

In this discussion activity students were presented with a common economic problem in government, the tax base. Students had to solve this challenge through a method of a town hall discussion. This forced students to consider the unintended consequences of different solutions. For example, students had to analyze whether a flat rate fee was a fair solution or if some groups in society were hurt more severely by a flat rate fee (regressive tax). It also showed the unintended consequences of raising taxes on some wealthy individuals that may decide to leave the community or take their business elsewhere, killing more jobs. It made them think about who benefits and who suffers when a new tax code takes effect. Students had to critically think about what was important to their community and the sacrifices that are sometimes necessary in achieving the good of all. Students had to consider the many options that government officials are faced with when trying to increase the tax base and the impact on public programs that may occur. Students had to consider what each group's specific concern was with each solution to the tax base problem. This activity engages all students to think about the role they play in the community. This helps students form opinions and arguments based on conceptual facts dealing with the question of "why is this tax good" or "why is it bad?" instead of just making statements without understanding. The activity forces all students to get involved by giving them all their own "two cents" to give to the discussion.