

American Government & Politics: A Christian Worldview.
Step By Step: The Income Tax Takeover (20–25 Minutes)

TEACHER INSTRUCTIONS

Goal

By playing the part of scheming government officials, students see how the U.S. government broke its promises about the income tax by gradually and deceptively expanding it to all Americans, using creative excuses and incremental changes to avoid widespread public outrage.

Instructions

1. Divide students into groups of 3–4. Each is a “Treasury Advisory Council.”
2. Read the scenario together as a class.
3. Students complete the handout (hand out one per group); give groups 12 minutes.
4. Each group presents its best argument (one spokesperson, 2 minutes max) to the class.
5. Suggestion: Class votes on which group made the most persuasive case for each scenario!

Suggested Key

Answers will vary, but here are a few ideas:

- “This is just a temporary war measure to support our soldiers in World War I. Only those with comfortable incomes will be affected. We promise to repeal it after the war.”
- “We need to replace the lost revenue from tariff reductions (Promise B). This is still a small percentage on middle incomes, and it will allow us to lower tariffs on everyday goods.”
- “It’s your patriotic duty during World War II. We are asking everyone to contribute a little. The wealthy still pay much higher rates. This is temporary.”
- “We’re just closing loopholes so the wealthy cannot hide their true income. This only affects those who receive large gifts or bonuses.”
- “This is just a modest contribution from everyone to fund government programs. It’s only two cents per dollar— less than the cost of a candy bar. Everyone benefits from better roads and schools.”

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The income tax was sold to the public on three promises: (a) only the wealthy will pay it, (b) it will replace tariffs, and (c) it will reduce taxes on average Americans. The action for each phase has been written below. Your job, as an advisor to the Treasury Department, is to invent a public excuse—a believable, patriotic-sounding reason for each change. Be creative, but realistic. You have 12 minutes!

Phase	Year	Action	Suggested Public Excuse
1	1918 (at the end of World War I)	Lower threshold so those who only make to \$1000 per year will now pay an income tax.	
2	1925	Add a 5 percent bracket for those who make \$2000 – \$5000 per year.	
3	1942 (after America's entrance into World War II)	Raise the lowest bracket from 1 percent to 10 percent.	
4	1947	Expand the definition of "income" to include bonuses, gifts, and tips.	
5	1950	Add an additional 2 percent tax to incomes above \$3000 per year.	