

# U.S. Olympic Medalists Must Pay ‘Victory’ Tax (1210L)

**Instructions: COMPLETE ALL QUESTIONS AND MARGIN NOTES using the CLOSE reading strategies practiced in class. This requires reading of the article three times.**

**Step 1: Skim** the article using these symbols as you read:

(+) agree, (-) disagree, (\*) important, (!) surprising, (?) wondering

**Step 2: Number** the paragraphs. **Read** the article **carefully** and **make notes in the margin**.

Notes should include:

- Comments that show that you **understand** the article. (A summary or statement of the main idea of important sections may serve this purpose.)
- Questions you have that show what you are **wondering** about as you read.
- Notes that differentiate between **fact** and **opinion**.
- Observations about how the **writer’s strategies** (organization, word choice, perspective, support) and choices affect the article.

**Step 3: A final quick read** noting anything you may have missed during the first two reads.

Your **margin notes** are part of your score for this assessment. Answer the questions carefully in **complete sentences** unless otherwise instructed.

Student \_\_\_\_\_ Class Period \_\_\_\_\_

## U.S. Olympic Medalists Must Pay ‘Victory’ Tax

*Notes on my thoughts, reactions and questions as I read:*



*Click on image to access video*



### Winning a gold medal has a downside.

Uncle Sam still comes for you, even if you’re winning Olympic medals in the country’s name.

Olympic medals and the bonuses—\$25,000 for a gold medal, \$15,000 for silver and \$10,000 for bronze— that the U.S. Olympic Committee awards athletes for landing one of the top spots all count

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as taxable income to the IRS.

Victory bonuses and medals are seen by the IRS as being like any other prize winnings, such as lottery, casino or game show winnings and, thus, are taxable.

The tax bill might not be as big as you’d imagine thanks to the medals’ actual monetary value, the basis on which they are taxed, being so low. According to MONEY’s own estimates the scrap value of a gold medal is about \$501, depending on the portion of actual gold used to make the medal and current price of gold. Silver medals have even less value, about \$300, and bronze medals, being a mix of copper and zinc, have little value.

Athletes can offset their potential tax hit with the hundreds of thousands of dollars in expenses they’ve likely racked up for training and traveling, if they treat their sport as a profession. Last Olympics, the *New York Times* reported that Missy Franklin’s parents spent \$100,000 a year on her swimming expenses.

There are many who dislike that Olympic athletes must pay taxes for a victory.

Sen. Chuck Schumer (D-N.Y.) has referred to this issue as “the victory tax” and has called on the House to pass legislation exempting Olympic winners from paying income taxes on their medal earnings. Sen. Marco Rubio also proposed a bill in 2012 to exempt Olympians from the tax. Even President Obama has said he’s in favor of an exemption.

*Notes on my thoughts, reactions and questions as I read:*

*This article addresses the following CCSS ELA Standards in addition to those noted.*

*7/8.W.1,2,3,4,5,6,7,8,9,10*

*7/8.L.1,2,3,4,5,6,*

*7/8.SL.1,2,3,4,5,6*

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**Comprehension questions – answers may be in phrases.**

1. *What is meant by scrapping a gold medal?*
2. *What agency is the author referring to when using the term “Uncle Sam”?*
3. *Define **IRS** as used in the article.*
4. *How many gold medals did Jesse Owens win in 1936?*
5. *Define **potential** as used in the text.*

7/8.RI.4,5

**Answer each question in one or more complete sentences and by providing complete explanations.**

1. *Explain “victory tax” as used in the text. Cite evidence in your explanation.*
2. *List the words that are capitalized in the final paragraph. Using phrases, explain why each requires a capital letter.*

7/8.RI.4/5

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**3.** *Summarize the text using a one-sentence money summary format.*

*7/8.RI.2*

**4.** *According to NBCOlympics.com, Michael Phelps won five gold medals and one silver medal in the 2016 Summer Olympics swimming competition. Simon Biles, a U.S. gymnast, won four gold medals and one bronze medal. Based on the information in the text, how much would each athlete’s bonus from the U.S. Olympic Committee amount to? Show your work. Answer in a complete sentence.*

*7/8.RI.1,3,5*