NYC HONOR ACADEMY · MODULE 03

NIL and Taxes

Name _____ Class _____ Date _____

Quiz: before and after the lesson

Write the letter of your answer in "Before" at the start of class and in "After" at the end. It is not graded.

Before ☐ After ☐

1. Is free gear you get for NIL work taxable?

A. No, only cash counts
B. Yes, at what it would normally sell for
C. Only if it is worth over $2,000

Before ☐ After ☐

2. Starting with 2026 payments, a business sends a Form 1099-NEC once it pays you:

A. $600
B. $2,000
C. $20,000

Before ☐ After ☐

3. Below about $17,300 of profit, about what share of NIL profit covers federal tax?

A. 5%
B. 14.1%
C. 30%

Before ☐ After ☐

4. A parent claims you. You must still file your own return once NIL profit reaches about:

A. $433
B. $16,100
C. Never, if a parent claims you

Before ☐ After ☐

5. A brand sends your NIL pay to your parent. Whose income is it for taxes?

A. Your parent's
B. Yours
C. Nobody's

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Worksheet

Use the lesson at nychonor.org/nil-taxes. Work alone or with a partner.

1. A $1,000 NIL deal arrives (a parent claims you, no business costs). About how much do you set aside for federal tax, and how much do you keep before state tax?

2. A brand gives you $500 of free shoes for posts. Is that income? At what value?

3. Starting with 2026 payments, at what amount must a business send a Form 1099-NEC? Do you owe tax on a $900 deal with no form?

4. What is the self-employment tax rate, and about what share of profit does it come to?

5. At about what NIL profit must you file your own return, even if a parent claims you? When is a 2026 return due?

6. List three records the lesson says to keep.

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