

Who Pays Tax? The teacher, the vendor and the farmer.



The facilitator uses a series of questions to three taxpayers (a teacher, a market vendor and a farmer) to introduce the idea of different tax payments.

Objective

1. To explore how almost everyone pays tax.
2. To introduce two tax payment types, on things you earn and things you buy.

Steps in the Process

1. The facilitator recaps what tax is: *Tax is a compulsory contribution of money from people and businesses to their government to help pay for common services such as education and health.*
2. The facilitator asks three volunteers (if possible, participants who know real examples first hand) to play the role of: a teacher, a market vendor and a home farmer.
3. The facilitator now asks each participant: do you pay tax?
 - If they say yes, ask which ones and write them down in a list (e.g. VAT, PAYE, profit tax, import/export taxes, land rents, market fees).
 - If someone says no, ask them if they buy products in the local market and briefly introduce the idea of VAT (Value Added Tax), which is a tax paid when we buy.

4. The facilitator may want to summarize that there are two types of taxes, both taxes go to the national government (not the employer or the seller):
 - The ones you pay for earning money from your work.
 - The ones you pay when you buy a product like soap that are included in the price.
5. The facilitator can conclude by asking:
 - Do participants know of anyone who does not pay tax?
 - Which of these two taxes do people most know they are paying?
6. [Optional]: The facilitator may also want to ask:
 - Do men and women pay the same taxes? Which taxes does the group think affect women the most, taxes on things we earn, or taxes on things we buy? And the youth? This will depend on the type of activities they do and the different goods they buy.

Tip to the facilitator: People don't often realize they are paying tax when buying and that it's making prices higher. This means they get less angry about it.

Moving to Action

- Is there any action point you may want to do based on this tool?

References

- ActionAid's Tax Power Campaign Reflection-Action Toolkit, ActionAid, December 2015.
- 'A Day in the Life of a Tax Payer', 2013, Seatini and ActionAid Uganda.