

Lesson plan for general taxation topic - duration 30 minutes+

Learning objectives

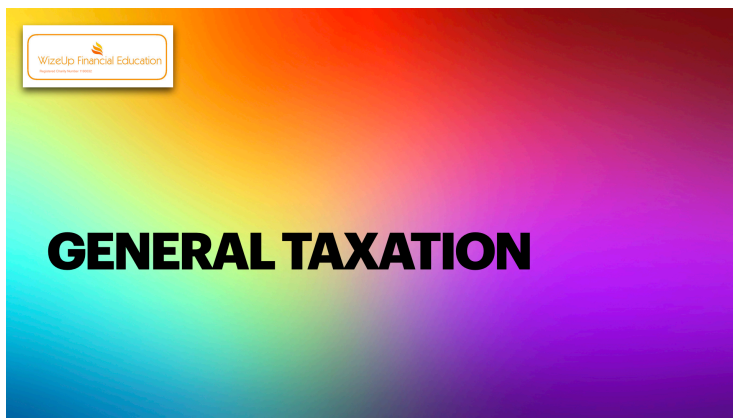
- To understand what taxes affect us
- To discover how money is raised and spent by the country

Resources

- WizeUp powerpoint presentation
- Worksheet
- Videos
- Kahoot! quiz

Content & teaching activity

Slides



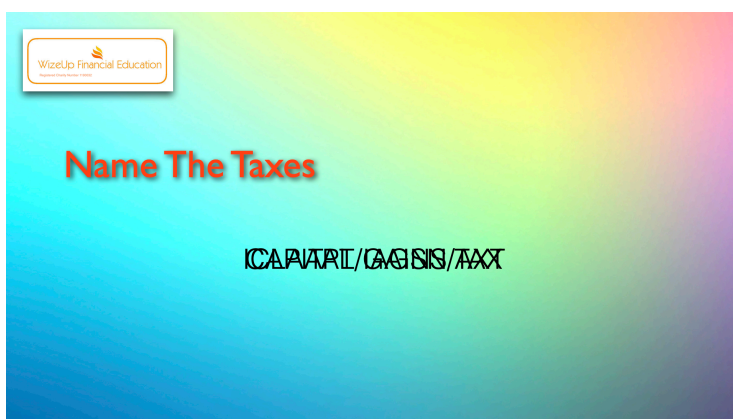
•Starter

We should all expect to pay around £1m over the course of our lives in different taxes.

Many of us are not aware of all of the taxes that could affect us.

We will be doing some anagrams of different taxes to find out a bit more about them

Could use worksheet here which can be completed individually, in pairs or in groups. Or continue with the slides.



•Capital gains tax

•Its a tax on things that you have bought to make a profit on such as a second home, vintage cars, art, shares etc.

•There is an annual allowance of £12,000 for everyone.

•After that basic rate tax payers pay 10%, higher rate tax payers pay 20%.

•18% - 28% on property

Name The Taxes

~~INCOME~~/TAX

- Income tax.
- There is no minimum age to pay income tax.
- Everyone who earns < £150k gets an allowance of £12,500 which they earn tax free.
- £37,500 over this is taxed at 20%
- Next £100,000 is taxed at 40%.
- Anything over £150k is taxed at 45%

Name The Taxes

~~STAMP~~/DUTY

- Stamp duty
- This is most commonly payable when you buy a house.
- The amount payable varies with the value of the house:
- <£125k = 0 (£300k for 1st time buyers)
- 2% above this rising in steps to 12% on portion above £1.5m.
- Currently frozen

Name The Taxes

~~HERITAGE~~/TAX

- Inheritance tax
- This is paid by the estate of the deceased if it is large enough.
- If the estate is < £325k then 0
- This is <£475 on property.
- Above this is 40% tax.

Name The Taxes

~~VAT~~

- VAT
- Current rate of VAT is 20%
- Not payable of books, children's clothes, essential food, toiletries
- Food from restaurants will include VAT - hence two prices in Starbucks - one to eat in and one to take away.

- Fuel duty
- Included in the price of fuel.
- 1 litre of unleaded = £1.15
- VAT = 10p
- Costs of refining, transport and storage = 16p
- Cost of oil = 19p
- Profits = 12p
- Fuel duty = 58p

- Alcohol duty
- The amount of duty depends on the amount of pure alcohol in the product.
- Pint of normal beer = 54p duty
- Litre of wine = £2.97 duty
- Litre of spirit = £11.50 duty
- All irrespective of purchase price.
- These are not 'duty free'.

- Road fund license
- £145 a year on cars registered after 2017
- £135 on hybrids
- £0 on electric
- But first year depends on CO2 emissions - up to £2,070

- Council tax
- Not paid by students
- Collected by local councils.
- Amount depends on house (not value) and how many amenities council supplies.
- Average around £1,500 pa.
- Covers refuse collection, parks, libraries, public gyms and pools, street lighting etc.

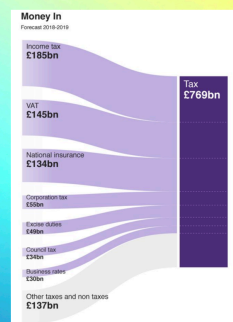
Name The Taxes

CORPORATION TAX

- Corporation tax
- Tax on profits of UK based companies.
- 19% flat rate.

Direct Taxes	Indirect Taxes
Income Tax (£185bn)	VAT (£145bn)
Capital Gains Tax (£8bn)	Fuel Duty (£30bn)
Stamp Duty (£15bn)	Alcohol Duty (£12.5bn)
Inheritance Tax (£4bn)	Road Fund License (£6bn)
Council Tax (£34 bn)	
Corporation Tax (£55bn)	

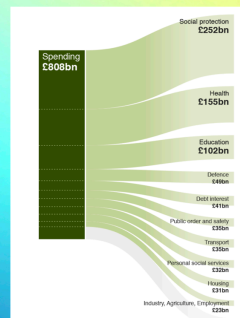
- Taxes are either direct - you have no choice in paying them or indirect - you have some choice.
- Want to pay less in fuel duty then buy less fuel.



- Overall income from taxation is about £800bn per year



- This is spent on:
- Education, NHS, Policing, fire service, defence, social services, benefits, roads, interest and miscellaneous.



- Spending is normally slightly higher than income.
- The shortfall is made back in other ways.

If time allows start a debate about how the shortfall of losing fuel duty and road fund license will be managed.

Do we raise more tax? If so is it through income tax or VAT?
Or do we cut services and if so where?

Could show a film from the website here is time allows

Test Knowledge

Kahoot! Quiz on the website

Plenary

Discuss what students would like to do on a gap year
What do they want to get from it?
Is there a place they really want to go?
Plan a gap