

Suggested Lesson Plan 3

MATERIAL

Play HMRC introductory video – “What is tax?”:

<https://www.youtube.com/watch?v=fbZlWBDplik&list=PL8EcnheDt1zjoRLU018WEKqqNzdR3w2xl&index=6> – 2 mins

Window Tax video <https://www.youtube.com/watch?v=j5mf2Va0lGw> – 4 mins

LESSON PLAN

Introduction

- Brief intro – who I am
- An hour on tax – which might sound boring but very important in life
- Going to look at how Government gets money and how it spends it

Setting the scene:

- Main way Government gets money it needs is through taxes
- They set tax rules, and taxpayers (people or companies) pay taxes
- Over 30 different taxes at the moment – can anyone name one?
- When might you pay tax? Hands up if you think you have paid tax before?
- What do taxes pay for?

How much tax is paid each year – can anyone guess? Answer – last year £858 billion.

Short video

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Any questions?

Exercise 1

- Split into groups of 5 or 6 – think about what taxes pay for and what they don’t?
- Come up with suggestions – put on whiteboard
- Talk through answers with whole class – note any big missing ones

Exercise 2

- Groups to rank 6 areas in order of most important:
 - Education
 - Health
 - Armed forces
 - Protecting the countryside
 - Museums

- Police
- Note group rankings on whiteboard
- Discuss reasons for answers
- Ask if it was hard to decide and why it was hard.
- Note biggest areas in practice are health and education.

Exercise 3

- Groups provided with £100 Monopoly money. This is a salary.
- Discuss and then bring up the amount of tax they think should be paid on the salary, note results on whiteboard.
- Discuss answers and compare to actual income tax rates – should everyone pay the same rate? If not, why not?
- Explain tax rates and bands briefly.

Who is who in tax?

1. Government/HMRC – sets rules and collects tax
2. Taxpayers – pay taxes and (sometimes) file tax returns
3. Agents – help people and businesses make sense of tax rules and pay the right amount of tax – not too little, and not too much. This is my job.

Why are agents important? Show a book of tax legislation and explain there are about 8 books this size that make up the UK tax rules – we need people who can understand it and help other people to understand the bits they need to for their lives.

Different tax roles in tax firms:

- Company tax – help companies to get their tax right and to plan.
- Personal tax – help people with their tax returns and to understand what they need to do and when (example – buying and selling houses, telling them how much money they need to put aside for tax).
- Payroll – people who help businesses with how much tax to stop from people's salaries and pay to the Government.
- VAT – tax on goods. Helping businesses to get this right (if time talk briefly about jaffa cakes and the relevance).

Tax is always changing – often not just about collecting money but about changing people's behaviour:

- Plastic packaging tax – tax on single use plastic bags – encouraging businesses to invest in environmentally friendly packaging
- Sugar tax – higher tax on high sugar products – encourages businesses to invest in changing recipes to make them more healthy
- Car tax – lower rates for electric cars to encourage people to move away from petrol and diesel cars.
- Tax avoidance – making sure people can't get around the rules to avoid paying tax that they should be paying.

Only if time – Window Tax video <https://www.youtube.com/watch?v=j5mf2Va0IGw> – 4 mins

Other weird taxes – Hair powder, Beards, Soap, Hats, Cowardice, Wallpaper, Clocks, Dice!

Denmark “fart tax” starts in 2030! - planned tax on livestock methane emissions

TO BRING

- Required printouts / resources.
- Monopoly / fake money for exercise 3.
- Tax Legislation for exercise 3.

TO CHECK

- What facilities are there – can you play YouTube videos, is there a whiteboard / flipchart you can use?
- School policies on safeguarding.