

MATERIAL

Search for 'HMRC Junior Tax Facts' on www.tes.com (You'll need to create a free account.)

Video on Youtube:

https://www.youtube.com/watch?list=PL8EcnheDt1zjoRLU0I8WEKqgNzdR3w2xl&time_continue=1&v=Un9W8U0VRpY

LESSON PLAN FOR HALF A MORNING / AFTERNOON (APPROX 1H40)

Introduction [10 mins]

- Who am I and what are we going to look at?
 - Tax is important – not boring!
 - Going to look at how the Govt gets its money, and how they might choose to spend it.

- Brief introduction to tax
 - The main way the Government gets the money is through taxes
 - The Government set the tax rules and taxpayers, which may be people or companies, pay taxes to the Government.
 - Can anyone name a tax?
 - When might you pay tax?
 - What do taxes pay for?

- How much tax is collected each year?
 - Ask the class to guess
 - In advance, prepare a long roll of paper with £500bn (£500,000,000,000) + written on it – ask for two volunteers to unroll it.

Video + Q&A time [10 mins]

- <https://tinyurl.com/syawxep>
- Ask for any questions

Exercise 1 – what do taxes pay for? [10 mins]

- Small groups – what do taxes pay for and what don't they?
- Per HMRC Tax Facts Pack – print off the maps and ask them to look at them in groups.
- Run through the answers with the whole class.

Exercise 2 – Tax and spending priorities [20 mins]

- Per HMRC Tax Facts Pack – print off the cards which show 6 areas of spending.
- Working in small groups, the children are asked to agree their priorities for 6 cards (most spending to least)

- Ask them to come up at the end and stick them on the board (it might help to draw an arrow at the side showing most spending down to least spending).
- Ask them to volunteer to explain how they came up with their priorities.
- Highlight differences / similarities
- Ask if the groups found it easy or hard to agree on priorities (likely to be the latter!). Explain it is often equally hard for the Government in practice. I then linked to the Budget, and spending decisions made there.
- Outline which are biggest areas of spend in practice (health and education).

Refresh and recap [10 mins]

- What have we learnt so far?
 - Why do we have taxes?
 - Who pays taxes?
 - How does the government spend the money from taxes?
- Any questions?

Exercise 3 – how much tax should we pay? [15 mins]

- Per HMRC Tax Facts Pack ('Maths Extension 1') – print off the fake bank notes
- Students work in small groups – give each group £100 in fake notes. This is their salary – how much do they want to pay you (as the Government) in tax?
- Ask them to discuss in their groups bearing in mind what we've learnt so far about what taxes pay for.
- When they've decided, come to the front and give you the amount they think they should pay in tax. Write on the board what each group has brought.
- Discuss results and compare to actual income tax rates.
- Explain what the personal allowance is, and how £100 a week wouldn't normally be taxed as a result.
- My class were quite interested to go on to think about how tax rates and bands work in practice (i.e. if you are a higher rate taxpayer you don't pay 40% on all your income – just that above the basic rate band). However, you may have to judge whether this is a bit complicated.

Q&A / the tax profession [20 mins]

- Draw up on board:
 - Government (HMRC) – set the tax rules and collect the tax
 - Taxpayers – pay taxes and (sometimes file returns)
 - Agents - someone we've not mentioned before. Explain that they help people make sense of the rules and ensure they pay the right amount of tax.
- Why do we need agents? Complexity – I took in one book of legislation for them to pass around and look at, which worked really well in terms of them appreciating how complicated taxes are.
- Explain the ATT sits in the middle, and wants to make sure the tax system works for everyone involved. I also discussed briefly our education role, and the part we play in making sure agents have high standards and ethics.

- Explain a little about your role, what do you get up to on a typical day? What makes your job interesting?
- Explain that tax is always changing, and why (politics, fix loopholes, raise more money, incentivise)
- How do you get to work in tax – mention exams, apprenticeships etc.
- Different roles in tax – we've mentioned agents, but you can also work in a company helping them sort their tax out, or even in HMRC.
- Any questions?

Exercise 4 – window tax [5 mins]

- Print out the picture of the house with bricked up windows in the HMRC Tax Facts Pack and show it the class.
- Explain that window tax is an old tax (no longer in existence) that had to be paid by people in the 18th and 19th centuries based on the number of windows in their house.
- Ask the class what the consequences of that tax might have been using the picture – people bricked up windows. What about new houses? They were built with fewer windows.
- Ask the class what they think the impact of this was?
 - Imagine living in a house with very few windows.
 - Damp, no light
 - People actually got ill
 - Knock on effect – less glass was bought so the glass industry struggled.
- It's important whenever we have a new tax or a change to an existing tax to consider whether there are any potential problems or unexpected consequences. The window tax demonstrates this.
- Nowadays the Government consults on new tax measures – the ATT respond with their thoughts.