

## **Lesson 2 Is it fair?**

The lesson asks students to look at data on the tax takes from different income groups in the population.

VAT takes a higher proportion of income from poorer people whereas income tax takes less.

Students are asked to decide how the tax system could be made more equitable.

If ICT facilities are available students can explore

<http://www.direct.gov.uk/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/fs/en>

in order to decide whether the taxes people pay are progressive or regressive. If not, make some print outs for use by groups so the class can come to a conclusion about the nature of UK taxes.

### **Starter**

Refresh thoughts about how VAT and Income tax work.

### **Main activity**

Use Resource 3 Is it fair to work out whether income tax or VAT is a fairer tax.

Ask students what happens to the proportion of income tax and VAT paid as people grow richer?

How would they make it fairer.

Use ICT to explore

<http://www.direct.gov.uk/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/fs/en>

Pairs of students can work together on specific taxes.

### **Plenary**

Feed back and comparisons of taxes which relate to people's income or wealth.

Draw up a table to show which taxes are regressive and which are progressive.