

Course: “Digital Tax Education and Tax Payments”

Microlearning Clips

**Clip 4: “Who Collects Taxes and Why?”**

**Clip Description**

<p>Representative image</p>	
<p><b>Title</b></p>	<p>Who Collects Taxes and Why?</p>
<p><b>Brief description</b></p>	<p>This clip presents the role of the tax authorities in each Member State and how tax revenue is converted into invaluable investments and public services at the local and national level, ensuring a better quality of life for everybody.</p> <p>The tax collection system is presented using an easy to understand analogy of how bees gather and share resources in their hive. Local and national budgets are presented, together with the ways in which they are supplied with funds and how these funds ultimately provide for the taxpayers.</p>
<p><b>Details</b></p>	<p><b>Purpose:</b></p> <p>Students should understand the role of the tax authorities in each Member State and how tax revenue is converted into invaluable investments and public services at the local and national level, ensuring a better quality of life for everybody.</p> <p><b>Objectives:</b></p> <p>This is an autonomous on-line learning lesson. It is structured as follows:</p> <ul style="list-style-type: none"> <li>○ Presentation of the general taxation system</li> </ul>



- Local taxes and the local budget: examples and general use of local tax funds
- The national budget: the role and types of investments supported by the national budget
- Conclusion

Teachers can use this lesson in its entirety or select specific parts, as they see fit. The estimated time for attending the entire lesson and the proposed complementary activities is 30 minutes.

**Materials:**

Micro-clip “Who Collects Taxes and Why?”

Interactive whiteboard (or just an LCD projector)

**Vocabulary:**

taxes, taxation system , local taxes, local budget, national budget, public services, investments

**How to use this lesson**

**Activity steps:**

**Introduction**

Ask your students a set of icebreaker questions:

- When your parents pay taxes, where does the money go?
- Does someone keep account of the tax paid by every taxpayer? Who is it?
- If all the money taxpayers pay as taxes is put together, who decides how this sum will be used?
- What does tax money pay for?

**The general taxation system**

- Once the taxpayer in the clip pays her tax, it is an opportunity to discuss the role of tax authorities
- Investigate the beehive analogy
  - ask the class to give examples of situations in their daily life when resources are pooled together in order to provide for the whole family or for a larger group in general

**The Local Budget**

- Ask the class to brainstorm answers to the 2QT question: “But why do cities, towns and villages need their own savings? Isn’t it enough to have a national budget?”
  - discuss the situation in your city / town / village
  - discuss the specific tax regime in your own country or region
  - provide examples to explain decentralization (“Who should decide which toy you get for your birthday? Should it be you or the school headmaster?”)



- draw conclusions on the importance of the local budget and on paying local taxes in order to fuel the local budget

### **The National Budget**

- Discuss the need for a national budget based on 2QT question: “If all the cities, town and villages have their budgets and take care of their needs from these budgets, why do we need a national budget as well?”
  - provide examples of large public investment in your area (motorways, dams, airports etc.)
  - discuss who benefits from them and why is it important to have services and infrastructure bringing benefits to whole regions or to the whole country
  - talk about the support provided by the national budget to the local budgets

### **The Taxpayer’s Role**

- Ask about how public investments are maintained, year after year. Analyze how public infrastructure is expanded and why is it important that as many citizens as possible do benefit
  - discuss why the local and national budgets need to be replenished every year
  - discuss the importance of paying taxes in this context
  - introduce the idea of children as taxpayers (with every purchase they make)

### **Conclusion**

- Who collects tax?
- What happens to tax money once collected? What is it used for?
- What sort of budgets are there? Why do we need a local and a national budget?
- Who replenishes the public budgets?
- Why is it important to provide the national and local budget with the resources they need?

<b>Category</b>	Microlearning
<b>Main target group</b>	9 to 12 year olds
<b>Related school topics</b>	Economics, Ethics, European Hours, English as a Second Language, Human Sciences

