

Tax  
(1.4 - Tax)



1. This is a compulsory payment to *Government*.
2. It is charged on income, business profits or added to the cost of goods and services.

1

Tax Liability  
(1.4 - Tax)



1. This means that a certain amount of money must be paid to the *Government*.
2. It is the responsibility of each person to make sure that they pay the correct tax.

2

Tax Avoidance  
(1.4 - Tax)



This is a legal way of reducing the amount of tax that you must pay.

For example, you can claim tax credits which will reduce your tax bill

3

Tax Evasion  
(1.4 - Tax)



1. This is illegal and usually happens when people fail to declare some or all their tax.
2. Those found guilty will pay interest and penalties or may go to jail.

4

PAYE  
(1.4 - Tax)



1. This is known as Pay As You Earn and is paid by employees on their wages, salaries, BIK, bonus or overtime.
2. The employer will deduct this before paying the employee and sent it to Revenue.

5

Self-Assessment  
(1.4 - Tax)



1. This is tax that is paid by self-employed.
2. The person calculates how much tax they have to pay and send it to Revenue.
3. To make sure they are paying the correct tax Revenue will conduct regular Tax Audits.

6

Tax Audit  
(1.4 - Tax)



1. This is when revenue check that a business is paying the correct tax.
2. They do this by looking the business accounts

7

Universal Social charge  
(1.4 - Tax)



1. This is also known as USC.
2. It is paid on income over a certain level.
3. It is paid at different level and it is an extra tax on top of PAYE

8

Value Added Tax  
(1.4 - Tax)



1. This is also known as VAT and is a tax on goods and services.
2. VAT is usually included in the price of the product or service.
3. The rate of tax at present in Ireland is 23%. Some items are exempt from tax - for example Children's clothing

9

Custom Duties  
(1.4 - Tax)



This is a tax on goods from outside the EU

10

Excise Duty  
(1.4 - Tax)



This is a tax that is levied on certain goods.

For example, petrol, heating oil, natural gas, Alcohol

11

Local Property Tax  
(1.4 - Tax)



1. This is a tax that is paid on property.
2. The tax paid depend on the value of the house.
3. This is a self-assessment tax, so the home owner calculates how much to pay.

12

Stamp Duty  
(1.4 - Tax)



1. This is a tax on certain documents.
2. It is usually associated with the purchase of property.
3. It is also charged of Debit, Credit and ATM cards (Government Stamp Duty)

13

Motor Tax  
(1.4 - Tax)



1. This a compulsory tax for all owners of motor vehicles.
2. It is calculated on an annual basis and paid to the local County Council.

14

Capital  
(1.4 - Tax)



1. This is the wealth in the form of money.

15

Capital Acquisition Tax  
(1.4 - Tax)



1. This is tax that is paid on gifts and inheritance.
2. This is when something is left to a person following the death of someone.
3. The tax is only paid when the value is above a certain amount

16

Direct Tax  
(1.4 - Tax)



1. This is tax that is put (Levied) on income as it is earned - it is deducted as source.
2. This means that the tax is calculated, collected and sent to revenue by the person who is paying the income rather than the person who has earned it. For example, For Example - DIRT. PAYE

17

Indirect Tax  
(1.4 - Tax)



1. These are taxes that are put (Levied) as money is spent on goods and services.
2. Indirect tax is the same for all no matter how much you earn. This can put pressure of low income because this tax takes a greater proportion of their income For example, VAT, Excise Duty and Custom Duty.

18

### Regressive Tax (1.4 - Tax)



This tax is paid the same by all no matter how much their income is

For Example, VAT

19

### Progressive Tax (1.4 - Tax)



This is a system where people earning a higher income pay a higher tax

For Example, PAYE

20

### Tax Rate (1.4 - Tax)



1. This is a percentage of tax that is levied on your income.
2. There are 2 rates - 1. Standard rate of 20% and a higher rate of 40%

21

### Standard Rate Cut Off Point (1.4 - Tax)



1. This is also known as SRCOP.
2. This is a document is sent by revenue it shows how much will be taxed at the standard rate cut off point and how much will be taxed at the higher rate

22

### Tax Credit (1.4 - Tax)



1. This is the amount by which your tax bill will be reduce by.
2. Your Tax credit are sent by revenue and are different depending on the person circumstances

23

### Gross Pay (1.4 - Tax)



1. This is the amount of pay before any deductions
2. It includes Basis pay + Overtime + Commission + Bonus

24

### Net Pay (1.4 - Tax)



1. This is Gross Pay less any Deductions.
2. It is also known as Take home pay
3. Deduction includes Statutory (PAYE, PRSI and USC) and Voluntary (VHI, Savings)

25

### Deductions (1.4 - Tax)



1. These are payments that are taken away from gross pay.
2. It includes Statutory Deduction - these must be paid and are sent to Revenue (PAYE, PRSI and USC) and
3. Voluntary Deduction - these are deductions that the employee chooses (VHI,

26

