

TAX LAW

- What types of taxes exist in your country?
- Which taxes do you think are fair/unfair? Why?

2. Reading

Tax Systems in Poland and the United Kingdom

*Poland and the United Kingdom both apply progressive personal income tax, but their systems differ in structure and rates. In **Poland**, there are two main brackets: 12% for lower income and 32% for higher income. In addition, a flat-rate corporate income tax (CIT) applies at 19%, with a reduced 9% rate for small businesses. Value Added Tax (VAT) is charged at a standard rate of 23%, with some reduced rates.*

*In the **United Kingdom**, personal income tax has three main brackets: 20%, 40%, and 45%. Corporate tax is generally set at 25% (with reduced rates for small companies in some cases). VAT in the UK is lower than in Poland: the standard rate is 20%.*

A key difference is that the UK tax system is considered more flexible, with numerous allowances and reliefs (e.g., personal allowance, capital gains exemptions). In contrast, the Polish system is often described as more rigid, with fewer deductions available to taxpayers.

3. Comprehension Questions

1. What are the similarities between the Polish and British tax systems?
2. Which country has higher VAT, and by how much?
3. How do personal income tax brackets differ between Poland and the UK?
4. Why might businesses prefer the British system?
5. Which system do you think is easier for taxpayers to understand? Why?

4. True/False Exercise

Decide if the following statements are **True (T)** or **False (F)**:

1. Both Poland and the UK use progressive personal income tax. (T/F)
2. Corporate tax is always higher in Poland than in the UK. (T/F)
3. The UK has more tax allowances and reliefs than Poland. (T/F)
4. Poland's standard VAT is lower than in the UK. (T/F)
5. The highest personal income tax rate in Poland is 32%. (T/F)

5. Discussion

- *Which system do you think is more attractive for investors? Why?*
- *Do you believe progressive taxation is fair? Why or why not?*
- *If you could change one element of your country's tax law, what would it be?*
- *How important is simplicity versus flexibility in a tax system?*

6. Glossary

- **Progressive tax** – a system where the tax rate increases as income increases.
- **Tax bracket** – a range of income that is taxed at a particular rate.
- **Corporate Income Tax (CIT)** – tax paid by companies on their profits.
- **Flat-rate tax** – a single tax rate applied to all income, regardless of its amount.
- **Value Added Tax (VAT)** – an indirect tax on goods and services.
- **Allowance** – an amount of income that is not taxed (e.g., personal allowance).
- **Relief** – a reduction in the amount of tax owed, often for specific expenses or circumstances.
- **Deduction** – expenses that can be subtracted from income before calculating tax.
- **Rigid system** – a tax system with limited options and fewer exceptions.
- **Flexible system** – a tax system with many exemptions, reliefs, and allowances.

7. Summary & Wrap-up

- Review key differences: rates, VAT, allowances.
- Highlight useful vocabulary from the glossary.
- Conclude: Both Poland and the UK apply progressive taxes, but the UK system is more flexible with allowances and reliefs, while Poland relies more heavily on VAT and simpler brackets.

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