

EPISODE 11
LEVEL B2

READING COMPREHENSION



TAXES



"I hate it! I truly, madly, deeply hate it!" Timothy looks up from a huge **pile** of papers.

"Are you **filling out the tax return**?" asks Julia sympathetically (= completing the form on which you tell the authorities how much income you had the previous year, i.e. how much money you earned or received, and how much taxes you should pay).

"I'm about to", nods Timothy, looking seriously depressed. "I've got here everything I keep for **tax purposes**. My **paycheck stubs** (= slips of paper with information from your employer how much you earned in a given period of time). Statements of **dividends** earned on the stocks I own (= a part of the profit of a company that is paid to the people who own shares in it). **Credit card statements** to document my spending (= printed records of the money put into and removed from a credit card account). Rent **receipts** for our flat (= pieces of paper which prove that money or goods have been received). How am I ever going to make sense of that?!"

"You know, slowly, step by step..." Julia does her best to sound encouraging. "I mean, it is so simple: you calculate your income and then the percentage of it you **owe** in taxes (= you need to pay). You send it to the **IRS** and you're all set!"

"Easy for you to say so", sighs Timothy. "What if I can't do it right?"

"The **IRS** will come and get you", says Julia lightheartedly and walks out of the room without registering the look of terror on Timothy's face (= Internal Revenue Service; the federal agency that **collects** income taxes in the United States).

More contexts for the new words:

- In the UK, the government office which collects most taxes is the **Inland Revenue**.
- Your shoes will be repaired and ready for you to **collect** on Thursday.
(= to go to a place and bring someone or something away from it)
- The college was the first **purpose-built** teacher training college in the country. (= designed and built for a particular use)



EXERCISE 1

Match the expression halves.

- | | |
|----------------|--------------------|
| 1. a pile | a. stubs |
| 2. to fill out | b. the tax return |
| 3. for tax | c. Revenue Service |
| 4. paycheck | d. purposes |
| 5. credit card | e. statements |
| 6. Internal | f. of papers |



EXERCISE 2

Complete the questions and then answer them.

1. How long do you keep the r..... for the things you buy?
2. Do you fill out your tax r..... yourself, or do you have it done by an accountant?
3. Have you ever earned a d..... on stocks?

ENGLISH IN USE



Instead of the full name, **Internal Revenue Service**, we can also use the abbreviation - **IRS**. Abbreviations like this (acronyms) are formed by taking the first letters of the words of a phrase, usually a proper name, i.e. the name of a particular person, place or object that is spelt with a capital letter. They are read as if they were a list of letters - we simply say the names of the letters separately. IRS is therefore pronounced I-R-S. More abbreviations include:

- USA (pronounced U-S-A)
- UK (pronounced U-K)
- FBI (pronounced F-B-I)

- HIV (pronounced H-I-V)
- FCE, CAE, CPE :-)

IDIOM CLOSE-UP



A/ Why does IKEA have its head office in Lichtenstein?

B/ They have chosen this **TAX HAVEN** in order to avoid paying high taxes in Sweden.

A **tax haven** is a place where people pay less tax than they would pay if they lived in their own country

PHRASAL VERBS CLOSE-UP



1. If you **PAY UP**, you give someone the money that you owe them, especially when you do not want to.

*You can't avoid taxes. You can keep putting them off, but one day you'll have to **pay up**. Eventually they **paid up**, but only after receiving several reminders.*

2. If you **PAY** something **OFF**, you pay back money that you owe.

*I owe a lot of income tax to the government. I have to **pay it off** before the end of the year. We should be able to **pay off** the debt within two years.*



EXERCISE 3

Decide if the sentences are true or false.

1. A country with low taxes is called a tax heaven.
2. If you give someone the money you owe them, you pay down.
3. If you pay back money that you owe, you pay something off.

NEWS



TAX HAVENS

Have you ever wondered why countries such as Andorra or Aruba have a **disproportionately** high number of companies registered in them? This is due to the fact that they have very **lenient** tax laws, and the **CIT** one is required to pay is much lower than the **exorbitant** rates in many other countries. As a result, many European and American companies have their head offices in such exotic locations. It is legal? Apparently yes. But is it honest?

GLOSSARY

- **disproportionate** – too large or too small in comparison to something else
- **lenient** – not as severe or strong as would be expected
- **CIT** – Corporate Income Tax
- **exorbitant** – much too large

KEY TO EXERCISES

Ex.1

- | | | |
|------|------|------|
| 1. f | 3. d | 5. e |
| 2. b | 4. a | 6. c |

Ex.2

1. receipts
2. return
3. dividend

Ex.3

1. False, it's a tax HAVEN.
2. False, you pay up.
3. True