

## **TEXT A**

The significance of the marginal tax rate in the UK is not only in the very severe upper limit of 91,25 per cent. More important is the psychological impact of a system which has a “standard” rate of income tax coming into effect remarkably early on taxable income, only the first 300 pounds of which is taxed at reduced rates. In fact, it is not income tax but surtax which raises the marginal rate above 41,25 per cent, and surtax payers are still a small minority. But income tax now affects nearly twenty million people, and the popular concept is that the rate which affects them all is the standard rate. Because of allowances, particularly earned income relief, this is untrue. The majority pay no tax at the standard rate. But while we continue to operate a system in which very high nominal rates combine with (for most people) more modest effective rates we are in danger of getting neither maximum public revenue nor maximum private effort.

## **TEXT B**

### **PERSONAL TAXATION**

No other country except Sweden imposes personal taxes to greater degree than does Britain. Personal taxes do not account for so high a percentage of GNP in France, Germany and the US as they do in the UK and Sweden. There is a relationship between GNP, personal incomes and personal taxation. Rates, although sometimes considered a form of indirect taxation, are included as personal taxes in Britain. To exclude rates would reduce the UK percentages to a figure closer to those of Germany and the US although their results are achieved by a quite different emphasis on taxation methods, in both cases to the advantage of the personal taxpayer.

## **TEXT C**

### **THE SPECIFIC FEATURE OF THE US TAX SYSTEM**

An important difference between the US system and those of France, W. Germany and the UK is that each American taxpayer calculates his own income tax liability. Although the greater part of the tax liability on salaries and wages is withheld at source (as with PAYE), the annual balance or refund due (because of claims, exemptions, etc.) is worked out by the individual –not by the tax authorities. In terms of cost of collection, this system is regarded as efficient but the Internal Revenue Department have made it plain that it could be even more efficient – and less objectionable to the tax-payer – if the tax structure was simplified. This observation certainly applies no less validly to the tax structure in other countries, including the UK.

- **Talk about “Specific Features of Income Tax in Uzbekistan”**

- **Read and Translate texts “Tax Treatment of Income” and “Deductions”.**

## **TEXT TAX TREATMENT OF INCOME**

It is relevant to examine in some detail two of the basic factors which govern the amount of income which will be taxed. These are (I) the tax treatment given to different types of income (II) deductions.

Sweden takes possibly the most logical view and generally treats all income alike for tax. It may be desirable for reasons of policy to give preferential treatment to earned income. France and UK do most in this respect. In practice, high (unearned) income in the US, and to a lesser extent in Germany, escapes taxation through loopholes such as capital gains tax and the exemption of interest on certain Government Bonds. But if earned income is to be favored, it should also be possible to encourage savings and investment by specific tax incentives. The treatment of unearned income does not offer much encouragement in Sweden or the UK. Two other points are worth noting:

- (a) in France credit is given for the double taxation of dividends distributed to shareholders from profits liable to company tax. In Germany Corporation Tax is paid at a lower rate on distributed profits.
- (b) the Swedish system for calculating capital gains imposes a reducing scale of tax as the length of ownership grows.

### **UNIT 25.**

## **TEXT DEDUCTIONS**

The second area concerns the matter of deductions. In all five countries these are many and complicated, placing a high burden on the tax authorities who check them, not to mention the cost in time to the taxpayer in working out his claims. Probably no single issue in the field of tax leads to more opportunities for avoidance.

The tax treatment of allowable expenses is also highly complex, leading to inequalities in administration and undoubled losses of revenue. No firm figure can be put on the possible sums involved but it is interesting that (1993-94) the Inland Revenue recorded that, of all personal businesses and partnerships assessed for tax, no less than 77 per cent came into the profit range below \$1,000 with an average profit of \$8 per week and nearly half averaged less than \$5 per week profit.

In comparing the pattern of deductions allowed between countries several points are interesting:

- (I) The UK is the only country that does not make some allowance for other taxes paid.

(II) The US allows deductions for interest paid on hire purchase transactions. In France, W. Germany and UK the deduction for interest payments is designed primarily to encourage private house buying.

(III) France and Germany allow specific deductions to encourage individual savings.

(IV) No country appears to make adequate allowance for the earnings of a wife.

(V) Sweden and Germany take the view that the cost of getting to work can be properly described as an income-related expense and therefore deductible.

Finally, deductions and allowances reduce the amount of gross income before it becomes taxable. Actual tax yield in proportion to gross income in all three countries (comparable figures are not available for France and Germany) is relatively close at an average of some 12 per cent (almost exactly the UK figure). But in Britain this result is achieved by whittling away (with allowances and deductions) 57 per cent of all incomes before subjecting the remainder to relatively high tax. The Americans and Swedes on the other hand prefer to take smaller bites at a bigger proportion of the cherry. This demonstrates the different emphasis that different countries give to redistribution of incomes through the tax system.

• **Questions to answer. Agree or disagree.**

1. Tax treatment and deductions define the amount of income to be taxed.
2. France and the UK treat all income alike for tax.
3. The US and Germany give preferential treatment to unearned income.
4. Capital gains tax is a kind of loophole to escape taxation.
5. The treatment of unearned income in the UK encourages saving and investment.
6. In Sweden capital gains tax is calculated at a reducing scale of tax if ownership grows long enough.
7. Deductions are times taking for the tax-payer to claim and difficult for the authorities to check.
8. Deductions give a lot of opportunities to avoid taxes.
9. All the countries make some allowance for other taxes paid.
10. Deductions and allowances increase the amount of gross income before it becomes deductible.
11. Personal businesses and partnerships came into the lowest profit ranges to get more allowances.
12. Britain prefers to take smaller bites at a bigger proportion of the cherry.
13. Different countries redistribute incomes through the tax system in the same way.

• **Read and translate the text “Indirect Taxes – Sales and VAT”. Answer the question: Why is VAT getting more and more popular in many countries?**

## TEXT

### INDIRECT TAXES – SALES AND VAT

In recent years there has been a tendency in many countries to move from direct taxes on income to indirect ones on spending. These may be simple sales taxes, by which a percentage is added to the final price in the shops, with the revenue raised used by local or central government. Alternatively, they may be Value Added Taxes (VAT), which are now compulsory in all EU countries. VAT is normally administered by Customs and Excise authorities.

VAT, being levied at every stage of manufacture and service, is a rather different concept from sales tax. In other words, a tax is imposed as the value of the product increases at each stage of manufacture. The aim is to tax the additional value which every stage of manufacture puts on a particular product. Self-employed individuals (above a certain level of income) and companies must pay VAT. Another difference between sales taxes and VAT is that the former tend to be levied on virtually all goods, while some items may be exempt from VAT or zero-rated. There is a difference, too, in concept between what is zero-rated and what is exempt. In theory, anything zero-rated could be charged at any time, and anyone selling a zero-rated article can claim a refund for any VAT paid to other people. Where goods are exempt, no reclaims can be paid. The type of product or service is quite different. For example, in the UK food, books, children's clothing are all zero-rated, postal services, insurance, burial and cremation charges are exempt from VAT.

In the UK, the current rate of VAT is normally 17.5% (8% for fuel bills), but sales taxes are not usually levied at such high levels. A sales tax may be fixed by central government or by local or state authorities.

Both sales tax and VAT may be at a uniform rate regardless of products they are charged on. They can, however, be at different rates (say, higher in what are seen as luxuries and lower, or not applicable at all, on essential items). There is no uniform rate of VAT throughout the EU: governments are free to set their own rates. From relatively low rates when first introduced, VAT rates have increased progressively as more and more countries have come to regard VAT as a ready source of income to compensate for lower taxes on income. Needless to say, any benefit from lower income taxes enjoyed by the payers is often lost through higher rates of VAT. But few voters are aware of paying VAT and everyone is conscious of the income tax they pay.

Some countries (tax havens) have no direct taxes on income and few indirect taxes. They may, however, impose visitors' taxes to be paid at airports on departure or on hotel accommodation. More common, however, are no indirect taxes, except for excise duties, imposed for social and revenue-raising purposes.

*(from "Guide to International Finance" by Alen M.)*

## Vocabulary list you may need

tendency – тенденция, йўналиш	zero-rated – ноль ставкали
alternatively – навбати билан	claim – талаб қилмоқ
administer - бошқармоқ	refund – пулни қайтармоқ
stage - босқич	fix - белгиламоқ
manufacture – ишлаб чиқариш	uniform - ягона
concept – концепция, ғоя	regardless - ...га қарамасдан
value - қиймат	luxuries pl. - ҳашамат
increase - оширмоқ	applicable - қўлланиладиган
former - аввалги	essential - зарур
virtually – фактга оид	compensate - қопламоқ
exempt – солиқдан озод қилмоқ	be aware – англамоқ
departure - кетиш	excise – акциз

### Ex.1. Answer the questions according to the text.

1. Do we have sales and VAT taxes in Uzbekistan?
2. What is the rate of VAT in Uzbekistan? and the rate of sales tax?
3. Which of them is more obvious?
4. What indirect taxes on spending are imposed now instead of direct taxes on income?
5. What is a sales tax itself?
6. On what level is the sales tax revenue used?
7. What tax can be collected alternatively?
8. What fiscal organ administers VAT?
9. What is VAT and what is its aim?
10. What is the difference between sales tax and VAT?
11. What is the difference between zero-rated goods and exempt goods?
12. What type of product or service can be zero-rated or exempt of VAT?
13. What rates can sales tax and VAT have?
14. Who fixes a sales tax?
15. Is there a uniform rate of VAT in Europe?
16. Why do governments regard VAT as a ready source of income?
17. Why do voters and governments prefer higher rates of VAT and lower income taxes?
18. What kind of indirect taxes do tax havens impose?

### Ex.2. Find English equivalents of the following Uzbek words and word-combinations from the text.

йўналишни белгиламоқ, ўрнига, одатда ундирилади, ишлаб чиқариш босқичлари, даражаси бўйича, товар нархининг ўсиши, мақсади ҳисобланади, деярли барча товарларга, пулни қайтаришни талаб қилмоқ, аниқланиши

мумкин, белгиланмоқ, қандай товарлар солиққа тортилади, барча Европа давлатларида, солиқнинг белгиланган муайян ставкасидан озод бўлмоқ, ортиқча сўзсиз, ҳукумат ҳисоблайдики, меҳмонхонада яшамоқ, ижтимоий эҳтиёж

**Ex.3. Point out that in what meaning the following words used in the text.**

**virtually** – аслида, ҳақиқатан, моҳиятан, виртуал

**to enjoy** – ҳузурланмоқ, ишлатмоқ (қоидани), молик бўлмоқ, эга бўлмоқ

**to fix** – мустаҳкамламоқ, ўрнатмоқ, белгиламоқ (нархни, муддатни), тadbик этмоқ, киритмоқ, жорий этмоқ, ҳал қилмоқ, қарор қилмоқ, жалб қилмоқ (диққатни), тўхтатмоқ (қарашни)

**to estimate** – баҳоламоқ, смета тузмоқ, тахминий ҳисобламоқ

**Ex.4. Match opposite meaning of the following words among them.**

direct, simple, add, different, the former, luxuries, aware, the latter, sell, central, necessities, compulsory, decrease, sellers, deduct, optional, buy, increase, progressively, indirect, complex, similar, local, payers, unaware, regressively

**Ex.5. Find the sentences which express the same meaning as follows.**

1. The idea of VAT is to impose tax on the value which is added during the process of manufacture.
2. VAT actually covers all goods.
3. It is up to the central or local government to impose a sales tax and define its rate.
4. Most European countries consider VAT to be a good means to compensate for lower taxes on income.
5. Lower income taxes are brought to nothing by higher rates of VAT.
6. Authorities are of the opinion that lower income tax rates are more politically beneficial.
7. Tax havens do not impose direct taxes.

**Ex.6. Explain the difference of two types of following tax rates and find their Uzbek equivalents.**

- a uniform rate of tax
- a flat –rate head tax

**Ex.7. Put the necessary prepositions.**

1. Many countries have a tendency to move .... direct taxes ....income ....indirect ones....spending.

2. VAT is levied ....the additional value .... the product .... every stage ....manufacture.
3. Sales tax is a different concept ....VAT.
4. VAT is imposed ....all goods.
5. Some items are exempt ....VAT.
6. An individual can claim a refund ....any VAT paid ....other people.
7. Sales taxes are usually not charged ....such a high level.
8. Politicians benefit ....lower income rates.
9. Any benefit ....lower income taxes is lost ....higher rates of VAT.
10. Governments try to compensate .... the criticism by lower income tax rates.
11. Most people are unaware ....paying VAT.
12. All people are conscious ....the income tax.

**Ex.8. Write down mentioned questions to following sentences.**

1. They add a percentage to the final price in the shops. (Disjunctive)
2. VAT is a rather different concept from sales tax. (To the Subject)
3. Sales tax tends to be levied on virtually all goods. (To the Object)
4. Anything zero-rated could be charged at any time. (General)
5. VAT rates have increased progressively. (To the adv.)
6. VAT is being introduced in many countries. (Alternative)

**Ex.9. Write down four main forms of the following words and try to make up sentences.**

be, move, may, impose, put, charge, sell, claim, fix, levy, increase, enjoy, lose, estimate, attract, raise, rise

**Ex.10. Read the sample. Fill the blanks with the words “such”, “such a (an)”, or “so”. Translate into Uzbek.**

**Example:** Sales taxes are not paid at **such** a high level. People do not usually like **such** taxes. The level of sales taxes was **so** high. At first they paid so many taxes.

1. Taxation is ....complex.
2. It is ....important source of revenue.
3. The government has never gathered in form taxes .... big money.
4. The state is....minimally involved in the lives of individuals.
5. It is ....burden.
6. Sweden has ...high standards of living.
7. Usually I have....little money.
8. She has ....many sources of income.
9. They have ....different concept of tax.
10. They have ....few taxes in tax havens.
11. You can't expect the individual to do ...hard work finding a lump sum once year.

**Ex.11. Fill the blanks with “little”, “a little”, “few”, “a few”.**

1. In tax havens they do not collect many taxes. They collect ....taxes.
2. People do not buy luxuries when they have ....money.
3. When low-paid wage earners have

....money they buy ....essential items.4. He understands ....about taxes, but he wants to know more.5. I have ....allowances from the government, I pay a lot of taxes.6. He earns .....,that is why he pays big taxes.7. Is there any income in the company?-Yes, but very.... .8. Give me ....time to submit my individual tax form to the tax authorities.9. I know....taxation rules, and now I can calculate my individual tax rate. 10. ....voters are aware of paying VAT, but everyone is conscious of the income tax they pay.

**Ex.12. Open the brackets and put the correct forms of the verbs.**

1. Excise duties (to be) another form of indirect tax.
2. When governments (to decide) what should eligible for duty they think of social benefits.
3. Excise duties (to levy) on alcohol and petrol.
4. To restrict a certain type of spending severe import duties may (to introduce).
5. Stamp duties (to become) less and less popular in the developed industrialized nations with every year.
6. In recent years (to be) a tendency in many countries to move from direct taxes on income to indirect ones on spending.
7. A percentage (to add) to the final price in the shop.
8. VAT normally (to collect) by Customs and Excise authorities.
9. Anything zero-rated could (to charge) at any time.
10. A sales tax may (to fix) by local or state authorities.
11. Sales tax and VAT can (to levy) on products at a uniform rate.
12. Articles which (to see) as luxuries can (to impose) higher rates of tax.

**Ex.13. Fill out the following table, use the given information in the text “Indirect Taxes-Sales and VAT”.**

<b>VAT</b>	<b>Sales tax</b>
1.?	1.Added to the final price in the shop.
Administered by Customs and Excise Authorities	2.?
Paid by self-employed individuals and companies.	3.?
4.?	4.Levied virtually on all goods.
5.The rate of VAT is about 17.5%	5.?
6.?	6.Can be at a uniform or different rates.
Few voters are aware of paying it	7.?



**Ex.14. Retell the text “Indirect Taxes-Sales and VAT” with the help of the following plans. Use linking words below.**

- taxation tendency in recent years
- the difference between VAT and a sales tax
- the rates of VAT and a sales tax
- the reason of VAT popularity with governments
- visitors’ taxes

*to levy, sales taxes, to move from direct taxes to indirect ones, VAT, stage of manufacture or service, exempt from, zero-rated, to claim a refund, to fix a tax, luxuries, essential items, to benefit from, to be aware, excise duties*

- **Read and translate the text “Indirect Taxes”. Pay carefully attention to the percent of GNP in Great Britain which contains excise tax on tobacco and alcohol as well as petrol.**

### **TEXT INDIRECT TAXES**

Compared with the others, Britain relies mostly on levies in selected goods, mainly tobacco, alcohol and petrol. The tax yield on these three alone amounts to nearly seven per cent of GNP, over half as much as the next highest country (Sweden), twice as much as Germany and France, and three times the American proportion. In all the countries except UK, the greatest amount of indirect revenue comes from some form of general sales or turnover tax, spread over virtually all goods and services. Only in Britain is there the high degree of tax selectivity on certain products, not only by means of excise duties but by the nature of the existing purchase tax. As a result of this policy of real punishment for a few items and none for most, the lack of flexibility in indirect taxation is such more marked in the UK.

If the balance of taxation in the UK is not to become even more in favour of direct taxation, new sources of indirect revenue must be found, because further manipulation of selective taxes is now severely limited. The regressive and inequitable nature of the existing pattern is likely to force a British move towards the “wider-spread” concept favoured by the other countries. The “averagness” of British taxation considered as a whole conceals serious weakness and defects in its constituent parts. The compromise pattern is now creating problems which less middle of the road systems are able to avoid. If this is so, basic tax reform in this country is essential and urgent, and although recent tax innovations and changes have been introduced, they have made little difference to the balance between different types of taxation being concerned mainly with the methods of levying each.

*(from “Britain’s Taxes. Some International Comparison”*

- **Read and translate the text “Value Added Tax (VAT)” and answer the question: In what cases can the trader reclaim the VAT he paid on his inputs?**

## **TEXT**

### **VALUE ADDED TAX (VAT)**

VAT is a general sales tax which applies to a wide range of goods and services. The tax is charged to the sellers of output and their tax liability amounts to a percentage of the value added at that particular stage of production. The firms engaged in the production of a commodity add VAT to the value of their outputs, but they deduct from this figure the amount of VAT already paid on their inputs. In other words they pay only on the value added by their particular activities.

Certain goods and services are given special treatment, they are either exempt or zero-rated. When goods and services are exempt the trader does not charge his customer any output tax, but he can not claim back any VAT already paid on his inputs. Exemption from VAT applies to land (including rents), insurance, postage, betting and gaming, finance, education, health services, burial and cremation.

Zero-rating means complete relief from VAT. A trader does not charge VAT on the goods and services he sells and he can reclaim any VAT which has been paid on his inputs. Zero-rating applies to export, food (except meals out), children’s clothing and footwear, books, newspapers, fuel (except road fuel), construction, passenger transport, drugs, and medicines on prescription and certain supplies to charities.

A major reason for the introduction of VAT in the UK was that it is necessary condition of EEC membership. Since VAT is not levied on exports (i.e. exporters can claim any VAT already paid on the goods) it should provide some incentive to exporters.

*(from “Introduction Economics” by Stanlake G.F.)*

#### **Ex.1. Answer the following questions.**

1. To whom is VAT charged?
2. How is their tax liability defined?
3. What do firms add and deduct when calculating VAT?
4. What does special treatment of certain goods and services mean?
5. What does the trader do in case of VAT exempt goods and services?
6. What is exempt of VAT?
7. What does the trader do in case of zero-rated VAT goods and services?
8. What items are zero-rated?
9. Why was VAT introduced in France?
10. How can VAT encourage exporters?

#### **Ex.2. Translate the following sentences into Uzbek and use them in your speech.**

levied on exports, charge an output tax, a wide range of goods and services, their tax liability amounts to, value of outputs, special treatment, zero-rated, claim back, complete relief from VAT, apply to, EEC membership, output tax, trader, particular activities, incentives to exporters, different rates of taxes

**Ex.3. Identify that what words and word-combinations express the same meaning in English and in Uzbek.**

a necessary condition, sales tax, a wide range of goods, to charge the customer, tax liabilities, production of commodities, the value of the outputs, exempt from taxes, zero-rated, applies to insurance, supplies to charity, medicines on prescription, a major reason

зарур шарт-шароит, товарларнинг кенг ҳажми, ноль солиқ ставкасидан бошлаб, товарларни ишлаб чиқариш, савдо солиғи, хайрия бадали, рецепт бўйича дорилар, асосий сабаб, суғуртага тегишли, харидорлардан солиқ ундириш, солиқ мажбуриятлари, ишлаб чиқарилган маҳсулотнинг қиймати, солиққа тортилмайдиган

**Ex.4. Try to make up short speech fragment or situation using the following sentences concerning VAT.**

- exemption from value added tax
- relief from value added tax
- definition of value added tax
- reasons for introduction of value added tax

**TEXT**  
**ZERO-RATING AND EXEMPTION**

If a supply is zero-rated this means that no tax is charged on the supply but credit is given to the supplier for all tax on his inputs relating to that supply. Thus, a business which exports most of its products will probably find that its returns for an accounting period show more tax on its inputs than on its outputs (the majority being zero-rated). In such a case, the business can claim a refund for the difference from Customs and Excise. In addition to exports, construction of new buildings, most food, books, newspapers, etc., (but not adverts there in) and many other items sold within the UK are also zero-rated.

Exemption of a supply of goods or services is not so favorable as zero-rating, for while this means that there is no VAT on the supply (as with zero-rating), there is no credit allowed for the corresponding tax on the inputs of the business. This introduces a hidden tax cost to that business, e.g., insurance and finance amongst others.

*(from "Business Taxation" by Keith A.)*

•Tell that what is known to you about VAT in the UK and other countries of EC and Uzbekistan.

•Read and translate the text “Capital Gains Tax”. Answer the question: Do you think Uzbekistan tries to blunt the impact of CGT?

## TEXT CAPITAL GAINS TAX

Capital gains taxes (CGT) are a form of tax on wealth, but they are not widely used and there has been a tendency in recent years to blunt the impact of the tax, particularly in countries anxious to promote investment. Again, they work in different ways, but generally are a tax on profits made on sale or disposed of items over a minimum value. Stock market investments, Unit trusts and antiques may all be subject to CGT. Land and property also attract CGT, though an individual’s principal domestic residence is often exempt. CGT is not simply paid on the sale of a possession: it becomes due when someone ceases to be its owner. Giving away a valuable painting, say, will not mean that CGT is escaped: its value will be assessed and taxed accordingly.

Anyone investing abroad should check the rules regarding CGT on foreign investors. They may be exempt, but this is by no means always the case. Where exchange control exist, the tax may have to be paid before the funds can be repatriated.

The way that a gains tax is imposed differs. It may be levied at the marginal rate of income or at a fixed rate. There may be a short –term rate of tax, which will be higher than the long-term rate, or there may be no long-term rate at all. The definition of short-term also varies. It will almost certainly be a year or less, but may be longer. CGT may be charged on any gain, though more likely there will be an annual exemption, so that minor gains to a specific total are not included. It may also be charged on all profits, or simply on those which are above the level of inflation, on the principle that a gain which is generated purely as a result of inflation is not a real gain at all. If, for example, inflation ran at an average level of 7% for 10 years that would result in a doubling of prices over the period simply to allow for inflation before CGT calculations are made. Any price which did not double would not be a true gain at all and only the surplus over that would be liable for CGT.

Exceptions to CGT also vary, but are likely to include anything given away to charity (including, in some countries, gifts to political parties): any profits on one’s main residence, gambling wins, transfers of assets between husband and wife, small personal belonging, and damages which may be awarded by courts for personal injury. Every country will have its own particular exemptions. It does not apply when assets are valued after death, there is usually quite separate tax for that situation.

The impact of CGT can be minimized in any one tax year by balancing out gains and losses, or by deferring some gains if one is reaching the tax threshold.

Some tax authorities allow losses to be carried forward from one tax year to another, so that they can be set against later gains, others do not.

(from "Guide to International Finance" by Alen M.)

### Vocabulary list you may need

capital gains tax – ссармоядан олинган фойда учун солиқ	blunt – юмшатмоқ
doubling - иккиланиш	impact – таъсир
allow - чегирмоқ	anxious - иштиёқли
surplus - ортиқча	promote – қўллаб-қувватламоқ
assets - мулк	disposal – ўтказиш, сотиш
personal - шахсан	principal - асосий
belonging - тегишли	possession - эгалик
damages - зарар	become due – муддати келмоқ
award – мукофот, ҳукм қилмоқ	cease - тўхтатмоқ
court - суд	assess – солиқни ҳисобламоқ
widely – кенг тарзда	term - муддат
injury – зарар етказиш	generate – ишлаб чиқармоқ
defer – кечиктирмоқ	reach - эришмоқ
threshold – остона	losses pl.- зарар (кўпликда)
short-term – қисқа муддатли	average - ўртача
long-term – узоқ муддатли	

### •GRAMMAR REVISION: The Complex Object

**A:** I'd like **you to make an appointment** for Mr. Mennon for tomorrow and I want **you to prepare the documents** for the talks.

**B:** When do you expect **Mr. Mennon to arrive** in Moscow?

**A:** he arrives tomorrow at 9 a.m.

### •Translate the sentences into Uzbek.

I'd like you to come and see us tomorrow.

He expects me to type his letter.

When would you like me to phone you?

Poor management caused the bank to collapse.

Everybody considered him to be the best student.

We know that the plants has overfilled its plan.

I hear that you have bought a new flat.

I saw him crossing the street.

**Ex.1. Answer the following questions according to the text.**

1. What is the capital gains tax (CGT)?
2. What are capital gains taxes not widely used?
3. What is subject to CGT?
4. What is often exempt from CGT?
5. When does CGT become due?
6. Why should a foreign investor check the rules regarding CGT beforehand?
7. At what rates can the tax be imposed?
8. What are the possible definitions of a short term?
9. Is there likely to be an annual exemption from CGT? Why?
10. Why is CGT usually charged on profits which are above the level of inflation?
11. What are the CGT exceptions likely to include?
12. Does the rule of exemptions apply when assets are valued after death?
13. How can the impact of CGT be minimized?
14. What do some tax authorities allow to do?

**Ex.2. Find the English equivalents of the following Uzbek expressions from the text above.**

кейинги йилларда шундай тендеция кузатилмоқдаки, даромад олишни хохламоқ, хорижий сармоядорлар учун белгиланган қоидалар, сармоя фойдасидан даромад олмоқ, муддат бир йўлга чўзилгандан кейин зудлик билан ҳаммаси йиғилади, аҳамиятсиз фойда, инфляциянинг юқори даражаси, ва ниҳоят даромад олинмади, кўриб чиқиладиган даврда нархларнинг иккиланишига олиб келди, эҳтимол барчаси қамраб олинади, солиқдан махсус озод қилмоқ, қабул қилинмайди, солиқларни пасайишига эришиш, бир йиллик солиқларни кейинги йилга ўтказиш

**Ex.3. Paraphrase the sentences.**

1. An individual's home is not liable for CGT.
2. CGT is levied when a possession changes its owner.
3. A gains tax is levied differently.
4. CGT may be imposed on any profit.
5. Charity contributions are included into exceptions to CGT.

**Ex.4. Explain the English meaning of the following statement.**

1. There has been a tendency to blunt the impact of the tax.
2. Land and property also attract CGT.
3. The tax becomes due when someone ceases to be the owner of the possession.
4. There may be exempt, but there is by no means the case.

5. CGT is a tax on profits made on sale or disposal of items over a minimum value.

**Ex.5. Match English equivalents of the words which express the same meaning in Uzbek.**

assess, term, vary, average, surplus, principal, exempt, assets, damages  
 асосий, овоз, ўртача, баҳоламоқ, зарарлар, мол-мулк, ортиқча, фарқ қилмоқ,  
 муддат

**Ex.6. Write down antonyms and synonyms of the words.**

to lose, poverty, sharpen, liable for tax, to be the same, gains, profits, blow,  
 eager, encourage, period, compensation, to produce, basic, tax-free, property, to stop,  
 to estimate, yearly

**Ex.7. Complete the sentences with the appropriate words from the box.**

profits	tax	exchange controls	levy
disposal	due	total	exempt
to promote	impact	assess	doubling

1. An individual's home is often....of CGT.
2. Many countries try to blunt ....of CGT.
3. Newly developing countries are anxious .....investment.
4. CGT is a tax on ....made on sale or ....of items over a minimum value.
5. A gain becomes ....when someone sells something.
6. When you give away a valuable painting its value will be ....and ....accordingly.
7. Where....exists, CGT has to be paid.
8. A gains tax may be ....at a fixed rate.
9. Minor gains to a specific ....are not included.
10. That rate of inflation will result in....of prices.

**Ex.8. Write down as much as possible nouns for following adjectives and then translate the word-combinations into Uzbek.**

**principal** – domestic residence. ...., ....., .....,  
**valuable** – assets. ...., ....., ....., .....,  
**annual** – exemption. ...., ....., ....., .....,  
**particular** – items. ...., ....., ....., .....,  
**marginal** – rate. ...., ....., ....., .....,  
**short-term** – rate of tax. ...., ....., ....., .....,

**long-term** – payment of tax. ...., ....., ....., .....,  
**minor** – gains. ...., ....., ....., .....,  
**personal** - belongings. ...., ....., ....., .....,

**Ex.9. Put the appropriate prepositions where necessary.**

1. There may a long-term rate....tax.
2. Many items are subject.....CGT.
3. Inflation ran....an average level ....15%.....5 years.
4. There is a special tax.....profits made.....sale or disposal.....items....a minimum value.
5. A gains tax may be levied.....the marginal rate of income or..... a fixed rate.
6. Capital gains taxes may be charged .....any gain.
7. The profits which are .....the level....inflation are also charged.....
8. ....the principle, that sort .....gain is not a real gain....all.
9. That situation resulted .....double growth of prices ....the period.
10. Tax authorities must allow .....inflation before CGT calculations are made.

**Ex.10. Put the appropriate prepositions where necessary.**

1. ....minor gains to....specific total are not included.
2. Capital gains taxes are ....form of....tax on....wealth.
3. There has been....tendency to blunt ....impact of ....tax.
4. CGT's are ....tax on profits made on sale or disposal of items over .....minimum value.
5. ....individual's principal domestic residence is often exempt of .....tax.
6. CGT is not simply paid on .....sale of ....possession.
7. ....way that....gains tax is imposed differs.
8. CGT may be levied at ....marginal or....fixed rate of....income.
9. ....definition of....short term varies very much.
10. ....short term certainly be .....year or less.

**Ex.11. Write four main forms of the following verbs.**

blunt, make, promote, attract, pay, become, cease, mean, escape, assess, check, exist, impose, levy, vary, charge, include, generate, allow, repatriate, give, award, have, apply, value, minimize, defer, reach, carry

**Ex.12. Make questions for following answers.**

1. CGT may be charged on any gain.
2. Where exchange control exists CGT has to be paid.
3. An individual's principal domestic residence is often exempt of CGT.
4. It becomes due when one ceases to be the owner of the possession.



5. The definition of short –term also varies.

**Ex.13. Translate the following sentences paying carefully attention to the words *specific, special, particular, separate*.**

*specific* 1) ўзига хос, алоҳида, ўзгача; 2) характерга хос, ажралиб турадиган; 3) маълум, муайян, аниқ, конкрет, чегараланган.

*special* 1) махсус, ихтисослаштирилган; 2) индивидуал, алоҳида; 3) шошилинич, фавқулодда; 4) бирор соҳага оид.

*particular* 1) хусусан, ўзига хос; 2) айрим, алоҳида; 3) истисно тариқасида, айнан, батафсил.

*separate* 1) алоҳида, мустақил; 2) мустақил, ажралган ҳолда; 3) индивидуал ҳолда, бўлак ҳолда

1. By transferring some resources to a central pool, communal projects for the common good, as purchased by a **particular** government, can be paid for.

2. This meant that the tax payer, as well as losing the whole of his or her income after a **particular** point, also paid a levy on wealth.

3. All indirect taxes on a **particular** good or service are paid at one rate.

4. An individual resident in a **particular** country pays tax in that country on all his or her income.

5. If, later on, the income from those savings is remitted to the country in question it becomes liable for tax in that **particular** financial year.

6. When first begun these payments were for **specific** purposes.

7. All workers and employers put substantial proportions of their wages into a **special** fund.

8. Individuals may then withdraw money for **specific** purposes such as housing.

9. Withholding taxes may be reduced by **special** tax treaties between countries.

10. The aim is to tax the additional value which every stage of manufacture puts on a **particular** product.

11. There has been a tendency in recent years to blunt the impact of the tax, **particularly** in countries wishing to promote investment.

12. Every country will have its own **particular** exemptions.

13. It does not apply when assets are valued after death, there is usually a quite **separate** tax for that situation.

14. To avoid the break up of businesses, governments sometimes offer **special** relief on business assets.

15. A company is a **separate** taxable body quite distinct from its owners and shareholders as individuals.

16. This is **particularly** true of developing countries.

**Ex.14. Write, what do these abbreviations mean?**

**VAT, GNP, DTR, the UK, PAYE, NIC, CGT, STC,**

**Ex.15. Translate the words and word-combinations into Uzbek and try to make up sentences with the help of them.**

again; though; this is by no means always the case; more likely; as a result of; for example; there has been a tendency; the impact of the tax; to promote investment; to be subject to; to be exempt of; to become due; foreign investors; a gain tax; a short-term rate of tax; to charge on; the level of inflation; average level; profits; particular exemptions; gains and losses

• **Read and translate the text “The Introduction of Capital Gains Tax”. Answer the question: Who is liable to capital gains tax in GB.**

**TEXT A**  
**THE INTRODUCTION OF CAPITAL GAINS TAX**

Capital gains tax was introduced by the Finance Act 1965 to tax gains on the disposal of assets after 5 April 1965 no matter when the asset was acquired. Only the proportion of the gain applicable to the period after 5 April 1965 is taxable, the apportionment being made on a time basis except in the case of quoted securities. Subsequent amendments and additions by later Finance Act have been consolidated in the Capital Gains Act 1979.

Capital gains tax is assessed on an actual basis, i.e. the actual gain arising in the tax year to 5 April or accounting period in the case of a company. In the case of individuals, tax is payable on 1 December following the end of the year of assessment or 30 days after the assessment, if later.

Interest is charged at 11% per annum from the due date. Where an appeal is made it must be within 30 days of the assessment.

All persons who are resident or ordinary resident in the UK are liable to capital gains tax on gains arising from the disposal of assets, wherever those assets are situated. In this context, person includes individuals, trustees and companies, corporation tax in chargeable gains. Nevertheless the gains are calculated according to the rules of capital gains tax.

Individuals who are resident and ordinarily resident but not domiciled in the UK are only liable to tax on gains arising on assets situated abroad when those gains are remitted to the UK.

*(from “Business Taxation” by Astbury Keith)*

**TEXT B (Part 1)**  
**CAPITAL GAINS TAX IN GB**

This particular tax is levied on the increase in the value of certain assets between the time of their purchase and the time of their sale. Any increase in the value of most assets is taxable when the assets are disposed of. In the 1998 Budget,

the taxation of capital gains was related to the taxation of income. For basic rate tax-payers, capital gains were taxed at 25 per cent, and for higher rate tax-payers they were taxed at 40 per cent. There are important exemptions for such things as personal private residences, private motor cars, winning from gambling, and capital gains on government securities. In 1998-99, the first \$5 000 of an individual's capital gains in the year were also exempt.

### TEXT C (Part 2)

Individuals pay income tax on earning from labor, rents, dividends, and interest. The return on an asset is not just the dividend or interest payment but also the capital gain. Although many economists would argue that capital gains, as for example when a company shares are purchased for \$2 and subsequently sold for \$3, are as much income as the dividend component of the return on an asset, in practice the Inland Revenue assesses and taxes capital gains separately. National insurance contributions by individuals are also a form of direct personal taxation. Companies pay corporation tax calculated on their taxable profits after allowance for interest payments and depreciation. They also make a national insurance contribution on behalf of their employees.

*(from "Introductory Economics" by Stanlake G.F)*

### Vocabulary list you may need

acquire – эга бұлмоқ	ordinarily - одатдагидек
apportionment – мутаносиб	trustee - васий
quote – нархни белгиламоқ	the latter - сўнгги
subsequent – оқибатида	domicile – доимий яшаш жой
amendment – тузатиш	remit - жұнатмоқ
consolidate – мустақамламоқ	applicable – мос, мувофиқ
per annum- бир йилга	argue – муҳокама қилмоқ
disposal – халос бұлмоқ	accounting - бухгалтерия
act - акт, қонун	payable – тўланадиган
introduced – тадбиқ қилмоқ	basis – асос, фундамент
assets – мулк, капитал	matter – масала

### • GRAMMAR REVISION: if - , when – clauses

If you read the text you will get the answer.  
When I read the text I shall take some notes.

### • Underline *if* – and *when*- clauses and translate the sentences:

If the price is considered too low the government will set a support price.  
If I understand the lecture I will certainly take proper notes.  
When they remunerate all the expences they will start producing another model.  
If he acquires sufficient knowledge he will start research work.  
As soon as he comes he will send us all the necessary information.  
He will study the problem thoroughly before he makes a report.

**Ex.1. Answer the questions according to texts above.**

1. What is taxed according to the Finance Act 1965?
2. To what period is proportion of the gain taxed?
3. On what basis is the CGT assessment made? and the apportionment?
4. What does “person” mean in the context of this law?
5. To what are companies assessed?
6. How are gains calculated for companies?
7. On what condition are individuals liable to this tax?

**Ex.2. Clarify that which of the following statements correspond to the content of the text “The Introduction of Capital Gains Tax”.**

1. Capital gains tax was introduced in several stages.
2. Capital gains tax is assessed on gains when they arise from the disposal of assets.
3. Individuals, trustees and companies are liable to capital gains tax.
4. Individuals who are residents, but live abroad are subject to tax on gains arising on assets situated abroad.
5. In the context of CGT law “person” means a wide range of taxable entities.
6. The Finance Act 1965 to tax gains on the disposal of assets had amendments and additions later on.
7. Capital Gains Tax works on a time basis in all cases.
8. The date the tax is payable for individuals begins on the first of December and lasts till the end of the year.
9. Individuals who are resident of the UK but do not live there are free from CGT.
10. Appeals concerning the assessment are accepted within a limited period of time.

**Ex.3. Find English equivalents of the following Uzbek statements in the texts above.**

1. Сармоя (капитал) даромад солиғи ҳисобланади ва тўланади.
2. Сармоя солиғи қонунчилигидаги сўнгги ўзгаришлар ва тузатишлар.
3. Буюк Британияда истиқомат қилмайдиган Буюк Британия фуқаролари тўғрисида.
4. “Шахс” тўғрисида.
5. Ушб солиқнинг тўлаш жараёни тўғрисида

**Ex.4. Make sure which English and Uzbek words conform each other according to their meaning.**

chargeable, interest, case, actual, nevertheless, introduce, assets, disposal, applicable, securities, to assess, accounting period, payable, resident, to arise, calculate, rule

ҳисобламоқ, баҳоламоқ, доимий истиқомат қилувчи, жорий қилмоқ, мулк, ҳисобот даври, тўланадиган, қимматли қоғозлар, ўтказмоқ, қоида, шунга қарамасдан, юзага келмоқ, солиққа тортиладиган, аслида, ҳолатда, ссуда фоиизи, ишлатиладиган

**Ex.5. Speak about the history of capital gains tax and its charges, payments as well as who pays this tax in Great Britain. Compare it with Uzbekistan.**

**Ex.6. Translate the following Uzbek sentences into English.**

1. Давлат одамларнинг моддий ҳолати ҳақида солиқ органларига декларация тақдим қилишларини мажбур қилмайди.
2. Мамлакатда хорижий сармоядорларга шароит яратиш мақсадида улардан юқори солиқ ставкали солиқ ундирилмайди.
3. Сармоянинг ўсиш даврида компанияларга солиқ юкининг оғирлигини тушириш нотўғридир.
4. Айрим ҳада ва мерослар тўлиқ солиқ тўловларидан озод қилинган.
5. Мамлакат ичкарасида ишлаб чиқариладиган маҳсулотлар одатда акциз божларидан озоддир.