

9. The tax at which the highest rate is paid by the individual is known as the marginal rate.
10. Local services, like national ones, have to be funded.
11. Individuals may then withdraw money for specific purposes such as housing.
12. There is no pension as such.

Ex.10. Complete the sentences with the appropriate words from the box.

net income	allowances	attempt	expenses
separate	resident	require	subsidiaries
head-office	tax exemptions	domestic	

1. Profits is just another word for.....
2. Governments....to encourage industrial development.
3. A company is ataxable body.
4.andmust be set against gross income before tax is assessed.
5. It is important where the company is
6. Where the Rcompany is resident is determined by the location of its
7. Countries take different approach towards taxing of theof foreign-based companies.
8. Some countriesthe companies to register the value of large investments.
9. To stimulate industrial development in the countries offer
10. A government may offer tax concessions toor foreign companies.

Ex.11. Translate the sentences into English.

1. Компанияларга солиқ аванс тўловларини аниқлаш имконияти берилади.
2. Мазкур солиқ тури алоҳида акционер уюшмаларидан ундирилади.
3. Шунингдек, солиқ ҳисобот даври белгиланган.
4. Юридик шахслар даромадидан олинган солиқ тури айрим европа давлатларида корпорация солиғи шаклида номланади.

• Read and translate the text into Uzbek.

TEXT
CORPORATION TAX IN THE UK

This tax is levied on the profits of all companies resident in the UK whether the profits are earned at home or abroad. The tax is charged after allowances for such things as interest on loans and depreciation of capital. In 2008-2009 the main rate of

corporation tax was 35 per cent, with a lower rate of 25 per cent for small companies. Corporation tax is levied on all profits whether paid out as dividends or not. Dividends are subject to personal income tax but it is assumed that the basic rate of income tax has been applied to dividends before they are paid out (part of the corporation tax paid by a company is imputed to its shareholders). Corporation tax may encourage firms to raise funds in the form of loan capital rather than by an issue of shares, because interest on loan capital can be offset against corporation tax as a cost of production whereas dividends cannot.

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

- **Read and translate the text "Tax Evasion and Avoidance". Answer the question: Is it worth taking the risk of tax evasion?**

UNIT 23

TEXT TAX EVASION AND AVOIDANCE

Governments distinguish between tax evasion and avoidance. While the former is illegal and may carry severe penalties, including imprisonment, the latter is simply the use of legal means to pay the least possible tax.

Let's consider tax avoidance first. One simple way of avoiding tax, for instance, is to claim all tax allowances due and keep one's coding with the tax authorities up to date. Further, depending on the taxpayer's occupation, a variety of expenses may be able to be set against income before it is taxable. For example, it is open to the individual to save in tax-free schemes, rather than those on which tax is payable. Similarly, anyone in a country with a territorial system of taxation can put certain assets abroad and leave them there to make interest or profits, repatriating then as and when favorable to do so from a taxation point of view.

Putting money into trust can also save taxes. A trust involves setting aside an amount of money or property which is then administered not by individuals but by trustees for the benefit of individuals, organizations, charities and so on. In the past, though this is less common now, men sometimes left their wives income from a trust rather than leaving them money outright. Leaving assets to minors in the form of a trust is much more common. Such trusts will normally (though not invariably) have a finite life, ending when minors reach their majority or sometimes at a later age, or on the death of the "tenant" of the trust. The money will then go to the "remainder men", the ultimate beneficiaries of the trust. Trusts set up in this way in the country of residence are not to safeguard the income and security of funds, though overseas trusts have long been used as a means of tax avoidance –and sometimes evasion.

Arranging to pass on assets during your life so as to avoid inheritance tax on death is another legal way to avoid tax. So, too, is arranging maintenance payments in cases of separation or divorce in certain proportions between parent and child to minimize the tax burden. It is not uncommon for payments to children to be tax-free.

Tax evasion is quite different: it is deliberately not paying tax due. It can be quite simply not paying a tax bill when it is received. It may, however, be more than that, including deliberately hiding income or concealing a capital gain which is within the ambit of that tax. The penalties for tax evasion are severe. They may be a simple fine for not filling in a return correctly, though the authorities will rarely take action if there has been a genuine mistake. Equally, however, fines may be imposed which are several times the total of the tax evaded. Severe or persistent offenders may face jail sentences. Whatever the penalties, attempts at tax evasion continue. In the EU probably the most common form of tax evasion is not paying VAT and the decorator may then not declare the income, or not declare it fully. No one knows the scale of this type of tax evasion, but it is certainly widespread and has a tendency to increase if the level of VAT's is raised.

Those including in tax evasion naturally assume they will not be caught. They forget that the tax authorities have large departments dedicated to finding evaders, and a lifestyle more lavish than declared income can support will soon be detected. Generally, it is not worth taking the risk.

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

Vocabulary list you may need

evade – қочмоқ (солиқдан)	minor – балоғатга етмаган
evasion – солиқдан бош тортиш	finite - охири
avoid - қочмоқ	tenant – ёлловчи, ижарачи
avoidance – солиқдан озод бўлиш	remainder – мерос қолдирувчи
coding – тартибга солиш	ultimate - сўнги
code – кодекс, қоида	safeguard - сақламоқ
occupation - бандлик	similarity - ўхшашлик
maintenance - мазмуни	ambit – чегара, тармоқ
bill - ҳисоб	aim - мақсад
conceal - яширмоқ	lavish – исрофгар

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

1. Do governments distinguish between tax evasion and tax avoidance?
2. What is tax evasion?
3. What is tax avoidance?
4. What is the first simple way of avoiding tax?
5. What can be done depending on the tax payer's occupation?
6. What other way is open to an individual?
7. What can be done similarity?
8. What can also save taxes?
9. What does a trust involve?
10. How did men usually leave their income to other wives in the past?
11. What is the much more common now?

12. Why do such trusts usually have a finite life?
13. What are trusts aimed to do?
14. What is another legal way of avoiding tax?
15. Is arranging maintenance payments also another legal way of tax avoidance?
16. What are the ways of tax evasion?
17. What are the penalties for it?
18. What is the most common form of tax evasion in the EU?
19. What do evaders usually think?
20. Why is it generally not worth taking the risk of tax evasion?

Ex.2. Find the words and word-combinations from the text above which express the same meaning as following.

- escaping something by being clever or using a trick.
- punishment for breaking a law or rule.
- employment, the state of being occupied.
- one who has charge of the property or affairs of another person.
- try, direct one's efforts.
- suppose, take for granted.
- too abundant.

Ex.3. Complete the following sentences according to the text.

1. Governments distinguish between 2. One simple way of avoiding tax is to claim 3. It is open to the individual to 4. A variety of expenses may be able to be set 5. Putting money into trusts..... 6. Leaving assets to minors.... 7. Trusts set up in this way 8. They are aimed more to 9. Arranging to pass on assets during your life.... 10. There may be a simple fine..... 11. Fines may be imposed which are..... 12. Severe or persistent offenders may....

Ex.4. Alter italicized words with the words from the text.

1. While the former is *against the law and may be punished*. 2. Let us *study* tax avoidance first. 3. *Different* expenses may be able to be set against before it is *taxed*. 4. Such trusts will normally have a *fixed* life. 5. Their *purpose* is to *take care* of the income and security of funds. 6. Though trusts *abroad* have long been used as a *way* of tax avoidance. 7. Arranging to *give away property* during your life so as to avoid inheritance tax is another legal way to avoid tax. 8. Maintenance payments are arranged in cases of separation or divorce *to reduce the pressure* of the tax. 9. Tax evasion is not paying tax due *on purpose*. 10. No one knows the *size* of this type of tax evasion.

Ex.5. Confirm or reject the following statement to the content of the text “Tax evasion and Avoidance”. Use cliché: *I agree here, I don’t quite agree here, just the opposite, in my opinion, to my mind, as far as I know.*

1. Tax avoidance and tax evasion are illegal ways of not paying taxes.
2. Depending on the tax payer’s income a variety of expenses may be set against income before it is taxable.
3. It is open to the individual to save in the private sector where tax is not payable.
4. Anyone in the country with a global system of taxation can put certain assets abroad and avoid taxation.
5. A trust involves setting aside an amount of money or property which is then administered by individuals.
6. In the past men left their money to their wives outright.
7. On the death of the “tenant” of the trust the money will go to the state.
8. Trusts are aimed to promote industry.
9. Arranging to pass on assets during your life time so as to avoid inheritance tax on death is illegal.
10. Fines may be imposed, but they are not so severe.

Ex.6. Put the appropriate prepositions down where necessary.

1. One should distinguishtax evasion and tax avoidance.
2. The taxable income depends the tax payer’s occupation.
3. A variety of expenses can be set income before it is taxable.
4. It is openthe individual to save in tax-free schemes.
5. One can repatriate profits as and when favorable to do soa taxation point of view.
6. Putting money trusts can also save taxes.
7. A trust involvessettingan amountmoney or property.
8. Trustees administer ...the money or the property of the trustthe benefit of individuals.
9. Men sometimes leavetheir wives incomea trust rather than leaving them money outright.
10. Such trusts normally end when minors reachtheir majority or sometimeslater age.

Ex.7. Translate the sentences into Uzbek paying carefully attention to the translation of participle and gerund.

1. Few voters are aware of paying VAT.
2. Indirect taxes on spending are more politically beneficial than direct income taxes.
3. VAT, being levied at every stage of manufacture and service, is a different concept from sales tax.

4. Anyone selling a zero-rated item can claim a refund for any VAT paid to other people.
5. Governments are free in setting their own rates.
6. By transferring some resources to a central pool, communal projects for the common good can be paid for.
7. There are many governments estimating that the political benefit to them of lower income tax rates is very big.
8. The politician remarked that his party would consider repatriating dividends paid to foreign investors.
9. The customs and excise authorities continue administering VAT.
10. The fixed sales tax can be administered by the central government, local government or by state authorities.

Ex.8. Translate the following phrases into Uzbek paying attention to the difference of Participle I and Participle II.

1. – additional contribution related to their income
2. – when first begun
3. – compulsory insurance levied by governments
4. – contributions covering the amounts paid out
5. – the idea pioneered by the UK
6. – the idea spreading to most industrialized countries
7. – the system providing an important safety net
8. – countries operating effective social security systems
9. – people in paid employment
10. – the newly emerging industrialized countries

Ex.9. Translate the sentence into English.

1. Компания бир катор қийинчиликларга дуч келишига қарамасдан яхши фойда олди.
2. У жисмоний шахсларни солиққа тортишдаги 10% солиқ маблағини солиқ органлари томонидан қайтариб олди. Чунки, ундан солиқ ундиришда юридик шахсларни солиққа тортиш ўртасидаги тафовут ҳисобга олинмаган эди.
3. Менга ҳаражатлар чегиримсиз солиқ тўлаш мумкинми ёки мен уни чегирими кўшилган ҳолда тўлашим керакми.
4. Ҳавотирланишга ўрин йўқ, сиз жисмоний ва юридик шахслар солиғи ўртасидага 20% суммадаги фарқни қайтариб оласиз.
5. Сиз солиқ тўлашдан қочишинингиз керак эмас.
6. Ҳозир бизнинг икки ёқлама солиққа тортиш масаласи юзасидан гаплашишга вақтимиз йўқ. Бу масалани эртага кўриб чиқамиз.
7. Барча жисмоний шахслар ўзларининг ижарасидан, бошқа сармоясидан олган даромадлар ҳақидаги декларацияни солиқ ўрганларига ўз вақтида тақдим қилишлари лозим.

8. Солиқ қонунчилигидаги сўнги янгиликларни солиқ тўловчиларга етказиш учун интернетда янги махсус портал яратилди.

Ex.10. Form antonyms from these words with the help of the negative prefixes or suffixes – less. Translate antonyms into Uzbek.

experienced, possible, expected, to appear, useful, natural, regular, fruitful, inherit, incentive, essential, encourage, effort, regard, increase, personal, willingness, variably, liable, taxable, disposal, beneficial, legal, former

Ex.11. Read and translate the following sentences into Uzbek paying attention to the meaning of modal verbs and their equivalents.

1. A government fixes a series of allowances which can be set against income before tax is payable.
2. In spite of financial difficulties, the company was able to make good profits in the last financial year.
3. An individual in a country with a territorial system of taxation needn't pay taxes on interest or profits made in the offshore.
4. A businessman must declare all his income from whatever source to the tax authorities.
5. Allowances may be made for any taxation paid in other countries.
6. An individual will be able to avoid taxes if he/she saves in tax-free schemes.
7. PAYE can necessarily operate when the tax-payer is employed by someone else.
8. The self-employed must pay income tax directly.
9. Lower-paid workers might have difficulty in finding a lump sum once a year.
10. Local services have to be funded.
11. Since we saved in the private sector we had to pay taxes on interest.
12. It must be admitted, to devise a tax, which is popular is perhaps impossible.
13. The money for payments against possible future deprivation needs to be accumulated in special funds.
14. One should distinguish between tax evasion and tax avoidance.
15. Putting money into trusts can also save taxes.
16. Fines may be imposed which are several times the total of the tax evaded.
17. With the global system of taxation you will have to pay taxes on all your income wherever it arises.
18. The self-employed are to be submit declarations of their income to the tax authorities regularly.
19. A dividend on the investment must have been paid net.
20. These payments are to be paid net of tax.
21. He will be able to reclaim the difference from the tax authorities.
22. Withholding tax on dividends must be paid before they can be repatriated.
23. The rate of tax can be as high as 20% or 30%, but it may also be nominal.
24. Withholding taxes should have been checked by a foreign investor at the outset.