



Tax Evasion

EXAMPLE

Reading to Writing Summary

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Student

Two types of lesson

Lesson#1: [Easy] **** [B2/C1]

1. Predict the content of the text. Write down key terms & ideas.
2. Read the text & check words & meanings with a dictionary.
3. Identify the key points and supporting details and complete the **outline**.
4. Write a one-paragraph summary of 200-250 words.
5. Check key points with the **completed outline** & **model answer** (try to achieve 4 key points and 4 supporting points).
6. Answer the critical thinking questions & check possible answers.

Lesson #2: [Hard] **** [C1]

1. Read the text – no dictionary.
2. Identify the key points and supporting details and complete the **outline**.
3. Write a one-paragraph summary of 200-250 words.
4. Check key points with the **completed outline** & **model answer** (try to achieve 4 key points and 4 supporting points).
5. Answer the critical thinking questions & check possible answers.

Teacher

Two types of lesson

Lesson#1: [easy] **** [B2/C1]

1. Distribute the text a week /day before the test. Students read, check vocabulary & meanings.
2. Test day: distribute a **new copy of text** and the **summary question**.
3. Set 1 hour to read the text, take notes and write a one-paragraph summary of 200-250 words.
4. Feedback¹: take in and mark [[use our correction code*](#)].
5. Feedback²: distribute **completed outline** & **model answer**. Students compare with their own work.
6. Summary marking: **should contain at least 4 main ideas with support** – see **summary key points**.
7. Extra: critical thinking questions / group discussion (30 minutes).

Lesson #2: [hard] **** [C1]

1. Set 1 hour to read the **text** and write a one-paragraph summary of 200-250 words.
3. Feedback¹: take in and mark [[use our correction code*](#)].
4. Feedback²: distribute **completed outline** & **model answer**. Students compare with their own work.
5. Summary marking: **should contain at least 4 main ideas with support** – see **summary key points**.
6. Extra: critical thinking questions / group discussion (30 minutes).

Correction code*: www.academic-englishuk/error-correction

Tax Evasion: how the rich avoid paying tax

By A Watson (2022)

Tax evasion can be described as an illegal activity which occurs when an entity or individual deliberately [redacted] (Alstadsæter et al., 2019). [redacted] the tax authorities of the true nature of their business affairs by declaring fewer profits or more losses [redacted] their tax liability. [redacted] to generate unregistered profits, and this is having a catastrophic impact on many economies. In the US, an estimation of [redacted] and taxes (Irs.gov, 2017), and countries operating under the EU lost an estimation of € 824 billion in the form of tax evasion in 2015 [redacted] of the assets [redacted] services and infrastructure like education, health [redacted]

MNCs have a complex tax structure and often apply different schemes to avoid paying taxes in nations where they operate. [redacted] affairs over the last decade in the UK. In 2012, the company had only paid £8.6 million in [redacted] [redacted] Amazon has been criticised for its tax affairs as the firm's UK subsidiary used share-based awards as a scheme [redacted] [redacted] 2017 (Ft, 2018). If the regular corporation tax rate had applied, the firm's subsidiary would have had to [redacted] [redacted] strategies to avoid paying taxes completely.

Offshore banking allows the depositor living outside their native land to deposit their funds at minimal or no taxation (Chernykh & Mityakov, 2017). [redacted] the underground [redacted] economy) through tax evasion (OECD, 2017). MNCs or rich individuals exploit the legal loopholes [redacted] their [redacted] these firms form subsidiaries offshore. The different devices used by taxpayers to hide the wiring of money [redacted] trusts.

Similarly, shell companies are often used for the purpose of tax avoidance [redacted] et al., 2019). [redacted] but no active operations and are often used illegally to conceal business ownership from law [redacted] of tax [redacted] public companies. The establishment of the shell companies allow large public companies or rich billionaires to [redacted] savings. [redacted] funnel their earnings through these companies in such a manner that they will not be counted in their annual [redacted] company.

To mitigate tax evasion, a number of strategies could be implemented. Firstly, the executive body i.e. [redacted] Parliament need to [redacted] with new penalties for serial avoiders. Secondly, the loopholes in policies need to be rectified so as to make it [redacted]. Thirdly, tax rates [redacted] act as an incentive for these billionaires or large public companies to avoid tax evasion (Pappa et al., [redacted] be educated about the significant [redacted] they can report the wrongdoings [redacted] towards a cashless economy [redacted] evasion as the transactions would be more transparent. Overall, tax evasion has actually fallen in recent years. In [redacted] to 12 % [redacted] Statista, 2019). In the future, tax evasion is likely to happen less due [redacted] by different [redacted] infusion of the cashless economy.

References

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- Irs.gov, 2017. [REDACTED]: Department of the Treasury Internal Revenue Service.
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- [REDACTED] and poverty: the hidden costs of tax dodging. [Online]. Available <https://www.oxfam.org/en/inequality-and-poverty-hidden-costs-tax-dodging>. [Accessed 25 January 2022].
- Pappa, E., Sajedi, R. & Vella, E., 2015 [REDACTED]. *Journal of International Economics*, 96(1), pp. S56-S75, doi: 10.1016/j.jinteco.2014.12.004.
- [REDACTED]. Tax Evasion Costs EU Countries Billions. [Online]. Available at: <https://www.statista.com/chart/17133/tax-evasion-cost-to-eu-countries/> [Accessed 20 January 2022].

Summary: Key Points

Take notes on the key points of the text.

1. Main idea:
Support:
2. Main idea:
Support:
3. Main idea:
Support:
4. Main idea:
Support:
5. Main idea:
Support:

Summary: Key Points (ANSWERS)

Take notes on the key points of the text.

<p>1. Main idea: Definition of tax evasion.</p> <p>Support:</p> <ul style="list-style-type: none"> • Illegal activity = entity/individual deliberately avoids paying tax (Alstadsæter et al., 2019). • Tax authorities = • MNCs = generate unregistered profits. • Examples: US = (Statista, 2019). • less money = edu., health, transp. & & inequality (Oxfam, 2020).
<p>2. Main idea: Examples of tax evasion.</p> <p>Support:</p> <ul style="list-style-type: none"> • MNCs = • Starbucks = paid only £8.6 million in 14 yrs in UK (ft, 2018). • Amazon = a profit of £ (Ft, 2018). • Companies = using offshore paying taxes completely.
<p>3. Main idea: Offshore banking.</p> <p>Support:</p> <ul style="list-style-type: none"> • Allows account holder to (Chernykh & Mityakov, 2017). • Legal, but linked (OECD, 2017). • MNCs or rich indivs. = exploit legal loopholes in offshore their investments. Can • Diff. devices used to hide money = foreign trusts, foreign corporations, IBCs, private banking, companies.
<p>4. Main idea: Shell companies.</p> <p>Support:</p> <ul style="list-style-type: none"> • Used for tax avoidance & tax evasion (Alstadsæter et al., 2019). • Have • Often used illegally to conceal bus. ownership. • Used as vehicle
<p>5. Main idea: Preventing tax evasion.</p> <p>Support:</p> <ul style="list-style-type: none"> • Parliament = more stringent laws with new penalties for serial avoiders. • Loopholes in more chall. • Tax rates = reduced = incentive for the rich or lrg comp. Pappa et al., 2015). • Employees = = report to authorities. • Cashless economy = reduc. tax evasion = transactions transp. • Tax

Summary

Task: Write a 200-250 word summary on the key features of the text.

Word Count: _____

Summary: Tax Evasion

Tax evasion can be defined as illegal behaviour where an individual or an organisation intentionally [REDACTED] (Alstadsæter et al., 2019). By declaring fewer earnings or more losses than the true figures received, organisations [REDACTED]. According to Statista (2019) and Irs.gov (2017), billions [REDACTED] and [REDACTED] (Oxfam, 2020). Watson (2022) states that the unpaid tax leads to a shortfall in government funds; money that is [REDACTED] and to [REDACTED] different methods to avoid paying tax in the area in which they operate. One such approach is the use of [REDACTED] residing outside their [REDACTED] with reduced or no taxation (Chernykh & Mityakov, 2017). Thus, MNCs or wealthy individuals are able to [REDACTED] by offshore [REDACTED]. Another method is the use of shell companies which act as tax avoidance and tax evasion channels for [REDACTED]. As their [REDACTED] their assets are protected from taxation. Although the author suggests that there has been a fall [REDACTED] could be done such [REDACTED] readdressing the current [REDACTED] (Paap et al, 2015), educating employees and [REDACTED] economy to reduce tax evasion even further.

250 words

iv) Highlight two areas in the text that you question, disagree with or lack evidence.

[2 points]

Critical Thinking Questions

i) What's the stance of the author? What is the evidence for this?

The writer believes that tax evasion and avoidance is unfair. She mentions this in the introduction as well as through her choice of language:

“This lost revenue deprives governments of the assets required to provide critical public services and infrastructure like education, health and transport, as well as tackling poverty and inequality”

- Starbucks has been **fairly** criticised.
- ...had **only** paid £8.6 million.
- Companies are **even** using offshore banking and shell companies as schemes or strategies to avoid paying taxes **completely**.

[2 points]

ii) Is this a credible article? Yes /no – why?

ALL ANSWERS INCLUDED IN PAID VERSION...