

# How Taxes are Made

Student Activity Worksheet

2

Solutions



**1.** Fill in the missing words in the following sentences.

- a. **Sin** taxes are used to discourage people from activities that may be harmful to **society**. The money collected from these taxes is used by the government to provide a range of **goods** and **services**. An example of this type of tax is the Sugar Sweetened **Drinks** Tax.
- b. The revenue raised from **Pigouvian** taxes is used to fund specific initiatives that reduce the negative impact on the item on which it is taxed. An example of this type of tax is the Plastic **Bag** Levy.

**2.** Read the following information and answer the questions below.

The Plastic Bag Levy was introduced in 2002, whereby businesses imposed a 15c levy on plastic bags at the point of sale. Prior to this levy, consumers could obtain plastic bags free of charge when purchasing goods, e.g. clothes, food, and drinks. A publicity campaign was launched at a cost of €358,000 to highlight the environmental benefits of reducing plastic bag waste.

Before this levy was introduced, it is estimated that businesses in Ireland dispensed over 1.2 billion plastic bags free of charge, which is the equivalent to 328 bags per person in Ireland per year.

The levy is now 22c per plastic bag and is said to have reduced plastic bag litter by 95%. The levy is collected by retailers on behalf of the Revenue Commissioners and is paid into an Environmental Fund used to support environmental projects, e.g. the operation of civic recycling centres, the Green Schools programme and waste awareness campaigns.

- a. Name **two** alternatives that consumers can use when shopping instead of purchasing plastic bags in shops.
  - Reusable bags / Cotton, canvas or mesh bags / cardboard boxes
- b. Outline **two** reasons why you think the introduction of the plastic bag levy had a positive / negative impact from an economic, environmental, and social perspective.

Reasons why include:

1.	Reduced the amount of plastic bag waste in Ireland going to landfill
2.	Reduced the amount of animal and plant life damaged by plastic bag waste
3.	Increased the funds available to create environmental awareness campaigns
4.	Increased consumer awareness of the damage caused by plastic bag waste and may encourage consumers to change their habits, e.g. use reusable shopping bags
5.	Greater administrative burden on the retailer to collect the levy from consumers and send to the Revenue Commissioners

- c. Outline **one** initiative you could introduce in your school to reduce the use of plastic bags.
- School-wide poster or social media campaign / School-based competition to encourage students to reduce their use of plastic bags

**3.** Identify whether the following statements are true or false.

	Statement	True / False
1.	Dáil Éireann and Seanad Éireann are also known as the Houses of the Oireachtas	True
2.	The second phase in the stages of a Bill is known as the Committee Stage	False
3.	The leader of the Irish Government is known as the Tánaiste	False
4.	Seanad Éireann consists of 60 senators	True
5.	Bills that have gone through the Seanad are automatically sent to the President of Ireland for signing	False

4. Match the stages of a Bill with the correct explanation in the spaces below.

Stages	Explanation
1. First Stage	A. The general principles of the Bill are debated
2. Committee Stage	B. Final statements on the Bill are made
3. Final Stage	C. The Bill is examined in detail, section by section and amendments may be made
4. Second Stage	D. Amendments from the Third Stage are considered
5. Report Stage	E. The Bill is presented to the House

1	2	3	4	5
E	C	B	A	D

5. Circle the correct answer in the following statements.

- a. The Tobacco Products Tax is an example of a **Sin tax** / Pigouvian tax.
- b. Bills can be brought forward by **government ministers** / members of the public.
- a. The deputy leader of Dáil Éireann is known as the Taoiseach / **Tánaiste**.
- b. The plastic bag levy is an example of a Sin Tax / **Pigouvian tax**.
- c. The Taoiseach, Tánaiste and Ministers are known as the **cabinet** / cabin.