WRITING TASK 2

Should spend about 40 minutes on this task.

Write about the following topic:

In some countries people pay different rates of tax depending on their salary; in other countries everyone pays the same rate. Which do you believe is the best system?

Give reasons for your answer and include any relevant examples from your own knowledge or experience.

You should write at least 250 words.

SAMPLE 1.

Governments across the world are dependent on taxes for development of their countries. There are countries which levy same rate of tax on all range of income earners. In contrast, few countries depend on tax revenues which are complex, and vary depending on income range. I agree to this kind of tax system, as it is egalitarian. I believe that taxes have to be based on the income earned. It is not a good idea to collect equal taxes from rich and poor.

To begin, governments where the tax rates are equal for all the people create burden to lower and average income earners. The basic essence of equality is lost with this kind of tax system. Though this tax system is very simple and easy to understand, the negatives that it creates among people is to be considered.

Countries which follow different rates of tax depending on the income earned by individual decrease the gap between different communities. In India tax rate is based on individual’s income, this kind of system encourages equality. The complexity of the tax system can be overcome by software available in the market.

In addition, governments should never create gap between different classes of society, rather they should create peace and give people a happy environment to live with.

In conclusion, I believe that tax rate should be dependent on the salary. Though this kind of tax system is complex to understand, it is good for development of the nation. Simple tax systems create gap between different sectors.
Undoubtedly, governments all around the world depend heavily on tax revenues to raise capital in order to fund their defense and development projects. To collect this levy, governments use various methods of taxation. While some are fairly simple, others can be quite complex. Although a simple tax system in which everyone pays the same rate of tax may seem more convenient, it has some serious drawbacks. On the other hand, a complex variable taxing system may give justice to the citizens as the amount of tax depends upon the level of income and thus, it is popular in its own right.

In simple terms, the tax system that uses the same rate for all severely fails to fully understand the economic complexities of the society, and oftentimes they are quite unfair. In Nepal, for instance, where the economic distribution is extremely uneven and complex, both the low-income earners and the affluent pay the same rate of tax on their income. This has instigated an outrage towards the government among the lower and average income earners. Although the tax system is easy to understand, the feeling of abuse and bias that it brings to the people is somewhat depressing.

By contrast, in advanced economies like that of Australia, the tax systems are tremendously complex. Nevertheless, it should be noted that various solutions are available to counter this problem. Even though the methods of levy contained in the Australian act may be difficult to understand and implement; in theory, it treats people with fairness. With this type of system, the rich pay more levies and the average-income earners pay only what they can afford. However, it can be argued that these systems are extremely sophisticated for an average person to understand. Nonetheless, the issue of complexity can easily be resolved by using different types of software and by visiting the official government websites. In other words, although complex systems may appear intimidating at first, they benefit the people since they treat people fairly and equally.

It is, therefore, countries where a simple tax system is used, the burden of the levy is hard to bear for the middle and the low-income earners, whereas countries where citizens pay tax based on their salary, the system does justice to all its citizens. Hence, the later however complex is a lot better, and fairer than the former.