

Learning Outcome 1.4

1.4 Explain key personal taxes and charges and suggest the occasions when and why they might arise

Summary of Qs asked 2019-2025 on Learning Outcome 1.4

2025 Q16 (c) (i)	List three taxes a named family may have to pay	List personal taxes a household pays	9m
---------------------	---	--------------------------------------	----

Key skills required so far answering the JC Exam:

1. List or identify the taxes and charges an individual or household pays
2. Match a tax or charge to the situation in which it arises
3. Explain a tax or charge by stating who pays it, why, or what it funds



Page 29 Introduction + Class Activity - True or false about tax

1. A 14-year-old would never pay any tax in Ireland:

False. A 14-year-old pays VAT whenever they buy goods or services such as sweets or clothes, even though they pay no income tax.

2. You do not pay tax if you own your own business:

False. Business owners also pay tax, eg income tax on their profits and VAT.

3. When you buy goods in a shop, part of the price may go to the government:

True. VAT is included in the price and collected for the government.

4. Taxes can be used to encourage healthier choices:

True. Taxes such as the sugar tax or the tax on cigarettes make unhealthy items dearer to discourage their purchase.

5. People pay more tax buying cigarettes and alcohol than bread and milk:

True. Cigarettes and alcohol carry excise duty and higher VAT, while basic foods like bread and milk are zero-rated for VAT.



Page 34 Class Activity - Taxes and charges in everyday life

Match each scenario to the correct tax or charge:

- A. Earning wages - 6. Income Tax / PAYE.
- B. Buying goods in a shop - 7. VAT.
- C. Owning a house - 4. Local Property Tax.
- D. Saving income in a bank - 8. DIRT.
- E. Registering a vehicle - 5. VRT.
- F. Buying fuel - 1. Carbon Tax.
- G. Using a toll road - 2. Tolls.
- H. Owning a television - 3. TV Licence.

For each scenario, name the category and explain one tax that applies:

- a) An employee gets their first payslip
Employment. PAYE is income tax deducted from wages before payment (with USC and PRSI also deducted).
- b) A family buys a new phone in a shop
Shopping. VAT (23%) is included in the price.
- c) A family purchases a house
Owning a Property. Stamp Duty is charged as a percentage of the purchase price, and LPT applies once owned.
- d) A teenager orders clothes from a Chinese website
Shopping. Customs Duty applies to goods imported from outside the EU, with VAT on top.
- e) Someone earns interest in their bank
Banking. DIRT is charged on the interest earned on savings.
- f) A driver fills a car with petrol
Running a Car. Excise Duty, Carbon Tax and VAT are all included in the price of fuel.

