

# 03 Income Tax Abolished

Argentina Abolishes Income Tax

LIVE ESL – APIBECI

BUSINESS NEWS

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ISSUE 02

## PRE – ASSESSMENT



### PRE 1 – True, False, Not Given

Listen to the audio carefully and determine whether the statements provided are True, False or Not Given based on the information you hear. Mark **True** if the statement is **correct**, mark **False** if the statement is **incorrect**, and **Not Given** if the information is **not mentioned** in the audio.

	TRUE	FALSE	NOT GIVEN
1 The Argentine Senate has passed a new bill to abolish income tax for most of them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Around 2.3 million workers in the formal sector will benefit from no taxes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Only rich people will have to pay taxes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Those who earn more than \$5,000 a month will continue paying income tax.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



### PRE 2 – Re-Tell

Listen to the audio carefully and **take notes** on the main points and key details. After the audio ends, **re-tell what you heard in your own words**. Focus on summarizing the main ideas, supporting details, and any examples mentioned. **mentioned** in the audio.

## 01

## Article Transcription Reading.

The following text below is a transcribed text from the listening article. Feel free to **mark other words** that you are **not familiar with** or are not highlighted below. Notes are available at the last page of this lesson.

- 00:19 “The Argentine Senate has passed a new bill. It seeks to **abolish** income tax not for everyone, not for all workers but for most of them. Around 1.3 million workers in the formal sector will benefit from no taxes. For them, only a tiny fraction will keep paying income tax. Those who earn more than five thousand dollars per month. They will have to pay an income tax that’s around 1.7 million pesos. And how many people earn that much in Argentina?”
- 00:47 “Just one percent of the **payroll** workers which means 99% of all payroll workers in Argentina will not have to pay income tax. The bill will now head to the president’s desk. Once he signs it, it will become law.”
- 01:02 “Is this even possible? Why is Argentina doing this and how will it affect their economy? If governments want, they can abolish income tax. For example, the UA does not have income tax nor does the Bahamas or Monaco. But these countries have **avenues** to make up. The UAE has oil, Monaco has yachts and casinos, the Bahamas, their **tourism**. What does Argentina have? None of these.”
- 01:31 “Argentina’s decision is **political**. Their presidential **elections** are next month and the Finance Minister is a candidate. The same Minister who introduced this no income tax policy is running for president. His name is Sergio Massa. The sitting president and his **coalition** are supporting him. Just one problem though.”
- 01:47 “He is losing. Masa came third in the primary vote last month. So what does he do? Go on a **spending spree**. He has increased financial **handouts**, given more Social Security checks, raised the salary of government employees and now ended income tax. How much with all of this cost? According to some economists, 5.7 billion dollars. The problem is Argentina does not have this money. Their plan is to print more **currency**. It’s always a bad idea if you print more **notes**. You will create more **inflation** and Argentina’s inflation is already 124%. So ideally, they should be spending less. They should be increasing taxes instead.”
- 02:50 “Argentina’s new government takes charge in December. They can easily reverse this by then but also by then the damage could be done because Argentina is **renegotiating a bailout** with the IMF.”
- 03:03 “The original deal was for 44 billion dollars. Out of this, around seven and a half billion has not been transferred. The IMF says show us progress only then will you get the money. But with decisions like this one, I’m not so sure and the IMF has commented on Argentina’s no income tax policy. It says it adds to the country’s challenges. In other words, you’re not helping your case. Does this mean **reducing** or abolishing income tax is a bad idea?”

## 02 A1 – Pairing Meanings.

Match the words on the first column to its corresponding meaning on the second column.

<b>A</b> abolish	<b>1</b> _____	the business of providing services for tourists
<b>B</b> payroll	<b>2</b> _____	the money that is used in a particular country
<b>C</b> tourism	<b>3</b> _____	to end an activity or custom officially
<b>D</b> spree	<b>4</b> _____	the process of saving a company by providing lots of money
<b>E</b> currency	<b>5</b> _____	a general, continuous increase in prices
<b>F</b> inflation	<b>6</b> _____	a short period of doing something in extreme without control
<b>G</b> bailout	<b>7</b> _____	a list of the people employed in a company showing individual earnings

## 02 A2 – Choosing the Right Words.

Match the words on the first column to its corresponding meaning on the second column.

political  
handouts  
currency  
payroll  
bailout  
reverse  
checks  
economists  
candidate  
renegotiating

- Just one percent of the \_\_\_\_\_ workers which means 99% of all payroll workers in Argentina will not have to pay \_\_\_\_\_ tax.
- Argentina's decision is \_\_\_\_\_. Their presidential \_\_\_\_\_ are next month and the Finance Minister is a \_\_\_\_\_.
- He has increased financial \_\_\_\_\_, given more Social Security \_\_\_\_\_, raised the salary of government employees and now ended income tax.
- According to some \_\_\_\_\_, 5.7 billion dollars. The problem is Argentina does not have this money. Their plan is to print more \_\_\_\_\_.
- They can easily \_\_\_\_\_ this by then but also by then the damage could be done because Argentina is \_\_\_\_\_ a \_\_\_\_\_ with the IMF.

# 03 Speak Up.

You are welcome to authentically share your thoughts as you go through the following questions.

1 To what extent do you agree to Argentina’s move to abolish income tax?

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2 What would be the possible positive effects of this policy if there are any?

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3 How can Argentina sustain the citizen’s welfare if they abolish income tax?

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4 Do you think this kind of policy would be a good idea in your country? Why?

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# 04 Building Deeper.

Choose the **words** from the article, or the vocabulary activity before. Write them under their corresponding categories. Do your best to **create examples** that can **help you remember** and understand the word better.

## FAVORITE WORDS

Words that you think you will use on a daily basis

## INTERESTING WORDS

Words that you find interesting for the first time

## DIFFICULT WORDS

Words that you find difficult to say or understand

WORD	01
+ example	

WORD	01
+ example	

WORD	01
how can I understand better + example	

WORD	02
+ example	

WORD	02
+ example	

WORD	02
how can I understand better + example	

## FOOD FOR THOUGHT

# The secret to having it all is knowing that you do.

## Notes

[1] <b>abolish</b> /ə'bəliSH/ ▶ <i>verb</i>	formally put an end to something
[2] <b>payroll</b> /'pā,rōl/ ▶ <i>noun</i>	a list of a company's employees and the amount of money they earn
[3] <b>avenue</b> /'avə,nōō/ ▶ <i>noun</i>	a way of making progress towards something, course of action
[4] <b>tourism</b> /'tōō,rizəm/ ▶ <i>noun</i>	the organization of vacations and visits to places of interest
[5] <b>political</b> /pə'lidək(ə)/ ▶ <i>adjective</i>	relating to the government or the affairs of a country
[6] <b>elections</b> /ə'lekSHən/ ▶ <i>noun</i>	formal and organized voting system for a person running for a position
[7] <b>coalition</b> /,kōō'liSH(ə)n/ ▶ <i>noun</i>	temporary alliance of political party for combined action
[8] <b>spending spree</b> ▶ <i>noun</i>	a period of spending money freely or extravagantly, lavishly
[9] <b>handouts</b> /'hand,out/ ▶ <i>noun</i>	something given free to a needy person or organization, charity, donation
[10] <b>currency</b> /'kərənsē/ ▶ <i>noun</i>	system of money in general use in a country, medium of exchange
[11] <b>notes</b> /nōt/ ▶ <i>noun</i>	a paper bill, money bill
[12] <b>inflation</b> /in-'flā-shən/ ▶ <i>noun</i>	a general, constant increase in prices
[13] <b>re-negotiating</b> ▶ <i>verb</i>	negotiate something again in order to change the terms
[14] <b>bailout</b> /'bā,lout/ ▶ <i>noun</i>	saving someone or a company by providing monetary assistance
[15] <b>reducing</b> /rə'dōōs/ ▶ <i>verb</i>	make smaller or less in amount

Good job for finishing the lesson through. If you were to **give yourself stars** for doing your best, how many stars will you give to yourself for today's hardwork?



### KEY ANSWERS

A1

1C 2G 3A 4F 5B 6E 7D

A2

- 1 payroll, income
- 2 political, elections, candidate
- 3 handouts, checks
- 4 economists, currency
- 5 reverse, renegotiating, bailout

# 03

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