

Challenge #1

David is considering emigrating to either Australia, France or Japan. Using the information given below, can you advise him as to which country he should emigrate if he wishes to pay the least amount of tax on his earnings.

Australia

Exchange Rate £1 = \$1.74

Taxable income	Tax Rate
\$0 to \$18 200	0%
\$18 201 to \$37 000	19%
\$37 001 to \$90 000	32.5%
\$90 001 to \$180 000	37%
Over \$180 000	45%

France

Exchange Rate £1 = €1.12

Taxable income	Tax Rate
€0 to €9 807	0%
€9 808 to €27 086	14%
€27 087 to €72 617	30.0%
€72 618 to 153 783	41%
Over €153 783	45%

Japan

Exchange Rate £1 = ¥144

Taxable income	Tax Rate
¥0 to ¥1 950 000	5%
¥1 950 001 to ¥3 300 000	10%
¥3 300 001 to ¥6 950 000	20%
¥6 950 001 to ¥9 000 000	23%
¥9 000 001 to ¥18 000 000	33%
¥18 000 001 to ¥40 000 000	40%
Over ¥40 000 000	45%

What assumptions have you made?

Challenge #2

Karen's father Reg, was also an air traffic controller who worked during the 1970's when income tax was charged differently. Given that Karen's equivalent salary in 1975 would have been £8 500, work out whether it is Karen or Reg who had the greatest tax burden on their incomes.

What assumptions are you making?

Taxable income 1975	Tax Rate
£0 to 4 500	33%
£4 501 to £5 000	38%
£5 001 to £6 000	43%
£6 001 to £7 000	48%
£7 001 to £8 000	53%
£8 001 to £10 000	58%
£10 001 to £12 000	63%
£12 001 to £15 000	68%
£15 001 to £20 000	73%
over £20 000	83%

Tracy's equivalent salary in 1975 would have been £92 000. How does her tax burden compare under the 1975 and 2018 tax regimes?