

Pringles and the potato chip tax

Do you like Pringles? What's your favorite flavor? (*Yes, I like...*)

Vocabulary

1. indeed 2. system 3. traditional 4. unique 5. court 6. certain

True Story

In the UK, there's a tax _____ called VAT. When people buy _____ things, such as electronics, clothing, or luxury items, they pay this tax. Many foods aren't taxed under VAT, but some, like potato chips, soft drinks, and chocolates, are. Companies that sell these items need to pay this tax.

Procter & Gamble is a large company that makes a popular snack called Pringles. They believed that Pringles weren't real potato chips. Their main point? Pringles have only 42% potato. They also have a _____ shape and taste, different from _____ chips.

In 2008, a UK _____ agreed with them. They said Pringles weren't like normal potato chips. But in 2009, a different, higher court looked at the case again. This court had a different view. They said that Pringles are _____ potato chips. This change meant trouble for Procter & Gamble. They had to pay \$160 million in VAT tax they hadn't given before.

Quiz

- Which food items in the UK are taxed under the VAT system?
- Why did Procter & Gamble believe Pringles weren't real potato chips?
- What did Procter & Gamble have to do after the court's decision in 2009?

True or False

- | | | | |
|---|------|--|-------|
| 1. In the UK, all foods are taxed under the VAT system. | True | | False |
| 2. In 2008, a UK court stated that Pringles weren't like normal potato chips. | True | | False |
| 3. Procter & Gamble were required to pay £160 million in unpaid VAT taxes. | True | | False |

Conversation

- A: Did you hear about Pringles in the UK court?
 B: Yeah, something about them being crisps, right?
 A: They argued they weren't real crisps.
 B: In the US, we'd call them chips anyway!
 A: True, but in the UK, chips means fries!
 B: Wow, that's confusing! Either way, I still love Pringles!

Discussion

- Do you like potato chips? What are your favorites?
- Do you have a tax like VAT in your country?
- Do you think tomatoes are a fruit or a vegetable?
- Have you ever had a misunderstanding that cost you money?