



LAW 553

Taxation

S2 Day 2014

Dept of Law

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Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

General Information

Unit convenor and teaching staff

Unit Convenor

Peter Crowfoot

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Contact via peter.crowfoot@mq.edu.au

Credit points

3

Prerequisites

(6cp in LAW or LAWS units at 300 level and (LAWS256 or LAW456 or LAW406)) or (39cp including BUSL250 and BUSL301)

Corequisites

Co-badged status

Unit description

This unit covers an examination of the Australian taxation system. The unit covers the examination of what is income, the taxation of capital gains, deductions, capital allowances, and tax avoidance issues. The unit covers the administration of the taxation system and the taxation of companies, trusts and partnerships. The unit also covers a treatment of the social security system and the legal availability of welfare benefits. The unit is significant as it provides a basic knowledge of the taxation system and is a good background for all law students whether or not they practice in the taxation area.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

Demonstrate a sound knowledge of the conceptual framework of the principal rules that relate to taxation in Australia.

Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.

Develop a suitable set of tax management strategies for individuals and business at

various stages.

Use, present and evaluate numerical or statistical information related to taxation.

Work collaboratively to solve legal problems related to taxation.

Undertake independent research on taxation issues through using electronic information retrieval systems.

General Assessment Information

Assignment/Assessment submission

Weekly coursework: Internal students – hand in at tutorials. Up to 2 A4 pages, handwritten.

External students – first 6 week's work as above to be handed in at the on-campus session during the mid-semester break. The second six week's work will be self-corrected based on information which will be provided.

Written report - Microsoft word document, 12 point type double spaced, of maximum length 1100 words. Submitted electronically via Turnitin. The question will be made available on iLearn at 9am on Friday September 5th 2014, and answers must be uploaded to Turnitin by 10pm on Friday September 12th 2014.

In-tutorial test - Internal students – completed and handed in during the tutorial.

External Students - completed and handed in during the on-campus session.

Final examination - The Final Examination paper will be made available on iLearn at 9am on Tuesday November 18th 2014. Answers are to be submitted as a Microsoft word document, 12 point double spaced via Turnitin by 10pm on Tuesday November 25th 2014. Each question will indicate the maximum number of words for that answer.

Extensions and penalties.

Assessments or assignments uploaded after the cut-off time on the dates given above will not be accepted for marking (that is, a zero mark will be awarded), except for cases of serious and recognised disruption to study (see below).

When a student suffers a disruption to study which is 'serious and unavoidable' they may apply for special consideration. In order to do so the student must meet the criteria under the Macquarie University "Disruption to Studies" policy and be approved by the Unit Convenor. Applications are made online at ask.mq.edu.au. Outcomes for recognized serious and unavoidable disruptions to studies are as set out in the University schedule - http://www.mq.edu.au/policy/docs/disruption_studies/schedule_outcomes.html

When a disruption to study is not serious or unavoidable, the approach to special consideration and the impact on your assessment will be as follows:

1. **Marked Attendance - tutorials:** In general no special consideration is given. However for tutorials missed because of illness a medical certificate can be presented at the next tutorial attended. If compulsory excursions or trips are required by other subjects enrolled in, documentary evidence of this will be accepted
2. **Marked Attendance - On-Campus Session, External Students:** No special consideration, attendance is compulsory.
3. **Graded Participation - tutorial:** In general no special consideration is given. However for tutorials missed because of illness a medical certificate can be presented at the next tutorial attended. If compulsory excursions or trips are required by other subjects enrolled in, documentary evidence of this will be accepted
4. **In-Tutorial Test:** In general no special consideration is given. However for a test missed because of illness a medical certificate can be presented at the next tutorial attended. If compulsory excursions or trips are required by other subjects enrolled in, documentary evidence of this will be accepted. The student will be required to sit for a supplementary test.
5. **Written Report - – no or late submission:** no special consideration; a grade of zero
6. **Final Examination – no or late submission:** no special consideration; a grade of zero
7. **Final Examination (performance affected)** no special consideration; a grade of zero
8. **Final Examination (preparation affected)** no special consideration; a grade of zero

Assessment Tasks

Name	Weighting	Due
<u>Weekly problems</u>	10%	Weekly
<u>Presentations</u>	5%	As assigned
<u>Participation</u>	5%	Weekly
<u>Written Report</u>	15%	September 12, 2014

Name	Weighting	Due
<u>In-tutorial test</u>	15%	Tutorial in week 6
<u>Final Examination</u>	50%	November 25th 2014

Weekly problems

Due: **Weekly**

Weighting: **10%**

Internal students – hand in at tutorials. Up to 2 A4 pages, handwritten.

External students – first 6 week's work as above to be handed in at the on-campus session during the mid-semester break. The second six week's work will be self-corrected based on information which will be provided.

On successful completion you will be able to:

- Demonstrate a sound knowledge of the conceptual framework of the principal rules that relate to taxation in Australia.
- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Develop a suitable set of tax management strategies for individuals and business at various stages.
- Use, present and evaluate numerical or statistical information related to taxation.
- Work collaboratively to solve legal problems related to taxation.
- Undertake independent research on taxation issues through using electronic information retrieval systems.

Presentations

Due: **As assigned**

Weighting: **5%**

Up to 5 marks are awarded for a student's presentation(s.) The answer should be presented logically and succinctly, keeping the attention of the audience and explaining any difficulties overcome. Answers to questions from the Tutor and other students should show that the student has good knowledge of the subject and is not just parroting information provided by others in the group. Should students give more than one presentation the higher mark is used if the marks should differ.

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- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Use, present and evaluate numerical or statistical information related to taxation.
- Work collaboratively to solve legal problems related to taxation.

Participation

Due: **Weekly**

Weighting: **5%**

Up to 5 marks are awarded for general tutorial participation in the way of asking questions and taking part knowledgeably in discussions.

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- Use, present and evaluate numerical or statistical information related to taxation.
- Work collaboratively to solve legal problems related to taxation.

Written Report

Due: **September 12, 2014**

Weighting: **15%**

Microsoft word document, 12 point type double spaced, of maximum length 1100 words. Submitted electronically via Turnitin. The question will be made available on iLearn at 9am on Friday September 5th 2014, and answers must be uploaded to Turnitin by 10pm on Friday September 12th 2014.

On successful completion you will be able to:

- Demonstrate a sound knowledge of the conceptual framework of the principal rules that relate to taxation in Australia.
- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and

the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.

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- Undertake independent research on taxation issues through using electronic information retrieval systems.

In-tutorial test

Due: **Tutorial in week 6**

Weighting: **15%**

Completed and handed in during the tutorial held in Week 6

On successful completion you will be able to:

- Demonstrate a sound knowledge of the conceptual framework of the principal rules that relate to taxation in Australia.
- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Develop a suitable set of tax management strategies for individuals and business at various stages.
- Use, present and evaluate numerical or statistical information related to taxation.

Final Examination

Due: **November 25th 2014**

Weighting: **50%**

The Final Examination paper will be made available on iLearn at 9am on Tuesday November 18th 2014. Answers are to be submitted as a Microsoft word document, 12 point double spaced via Turnitin by 10pm on Tuesday November 25th 2014. Each question will indicate the maximum number of words for that answer.

On successful completion you will be able to:

- Demonstrate a sound knowledge of the conceptual framework of the principal rules that relate to taxation in Australia.
- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and

the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.

- Develop a suitable set of tax management strategies for individuals and business at various stages.
- Use, present and evaluate numerical or statistical information related to taxation.
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Delivery and Resources

There will be no “live” lectures given. Rather, lectures will be pre-recorded using Echo and posted on iLearn, so attendance is not required. A full set of slides will accompany each lecture and these will also be posted separately on iLearn. Most weeks the lecture will be divided into several individual recordings, each covering a specific topic. There will also be a one-hour tutorial each week.

For External Students there will be two on-campus days during the Mid-Semester Break, as detailed in the Unit Schedule. For these students attendance during both of these days is compulsory and a requirement of the Course.

For tutorial times and classrooms please consult the MQ Timetable website: <http://www.timetable.s.mq.edu.au>. This website will display up-to-date information on your classes and classroom locations.

Prescribed Texts

- Woellner, Barkoczy, Murphy, Evans and Pinto, Australian Taxation Law (24th edn, CCH 2014)

NOTE: Out-of-date editions of the text will not contain the latest changes in Taxation Law and may result in students learning incorrect material. Therefore you are strongly advised not to purchase second-hand older editions of the text.

Reference materials

While references to the prescribed weekly readings for this Unit are mainly from the prescribed text, references will also be made during the lectures to reported cases, rulings and other pronouncements issued by the Australian Taxation Office.

(a) Commentaries: Both CCH and Thomson Reuters provide an on-line service covering a commentary on the relevant legislation, rulings and reports and other pronouncements of the Australian Taxation Office. These on-line tax services are also available in multi-volume loose-leaf formats. The on-line service of CCH can be accessed from the University Library's database.

(b) Useful Internet sites: Internet resources are a very valuable source of information relating to current developments on taxation issues. Some useful sites include:

(i) ATO website: The Australian Taxation Office Internet site www.ato.gov.au . This site offers access to:

- all ATO rulings and other pronouncements
- current ATO publications
- legislation
- Australian and selected overseas tax case law
- all ATO forms

(ii) Access to other internet sites which are relevant to tax issues can be located at:

- Australian Treasury: <http://www.treasury.gov.au>. This site contains Treasury press releases and consultation documents.
- CPA Australia: <http://www.cpaustralia.com.au>. This site contains relevant information including submissions canvassing tax reform.
- Institute of Chartered Accountants in Australia: <http://www.icaa.org.au>. This site contains relevant information including submissions canvassing tax reform.
- Deloitte: <http://www.deloitte.com.au> Click on “tax central” to access information on proposed tax reforms.
- Ernst & Young: <http://www.ey.com/global/gcr.nsf/austaralia/home>. Good for keeping up to date on tax reforms.
- KPMG: <http://www.kpmg.com.au>. Very useful, especially for its “Daily Tax News”.
- Board of Taxation: <http://www.taxboard.gov.au>. Contains information on proposed tax changes.

(iii) Cases, rulings, and legislation can also be accessed from the following sites:

Cases: Scaleplus site <http://scaleplus.law.gov.au>

Cases: Australian Legal Information Institute site <http://www.austlii.edu.au>

Cases and Taxation rulings: Australian Taxation Office; <http://www.ato.gov.au>

Unit Schedule

Lectures (recorded on iLearn)

Week	Commences	Topic
1	August 4 th	Introduction and Operating framework of the Australian Tax System
2	August 11 th	Ordinary Income 1
3	August 18 th	Ordinary Income 2
4	August 25 th	Ordinary Income 3
5	September 1 st	Statutory Income and Compensation
6	September 8 th	Allowable Deductions 1
7	September 15 th	Allowable Deductions 2
Mid-Semester break. External Students' On-Campus days 9am to 4pm October 2 nd and 3 rd (attendance is compulsory).		
8	October 6 th	Taxable Income and calculation of tax payable
9	October 13 th	Companies and shareholders
10	October 20 th	Trusts and Partnerships

11	October 27 th	Goods and Services Tax
12	November 3 rd	Fringe Benefits tax
13	November 10 th	Tax avoidance, ethics, tax administration, tax collection mechanisms

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.html

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy http://mq.edu.au/policy/docs/grievance_management/policy.html

Disruption to Studies Policy http://www.mq.edu.au/policy/docs/disruption_studies/policy.html *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/support/student_conduct/

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

Graduate Capabilities

Capable of Professional and Personal Judgement and Initiative

We want our graduates to have emotional intelligence and sound interpersonal skills and to demonstrate discernment and common sense in their professional and personal judgement. They will exercise initiative as needed. They will be capable of risk assessment, and be able to handle ambiguity and complexity, enabling them to be adaptable in diverse and changing environments.

This graduate capability is supported by:

Learning outcomes

- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Develop a suitable set of tax management strategies for individuals and business at various stages.
- Work collaboratively to solve legal problems related to taxation.
- Undertake independent research on taxation issues through using electronic information retrieval systems.

Assessment tasks

- Weekly problems

- Presentations
- Participation
- Written Report
- In-tutorial test
- Final Examination

Commitment to Continuous Learning

Our graduates will have enquiring minds and a literate curiosity which will lead them to pursue knowledge for its own sake. They will continue to pursue learning in their careers and as they participate in the world. They will be capable of reflecting on their experiences and relationships with others and the environment, learning from them, and growing - personally, professionally and socially.

This graduate capability is supported by:

Learning outcome

- Undertake independent research on taxation issues through using electronic information retrieval systems.

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Demonstrate a sound knowledge of the conceptual framework of the principal rules that relate to taxation in Australia.
- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Develop a suitable set of tax management strategies for individuals and business at various stages.
- Use, present and evaluate numerical or statistical information related to taxation.
- Work collaboratively to solve legal problems related to taxation.
- Undertake independent research on taxation issues through using electronic information

retrieval systems.

Assessment tasks

- Weekly problems
- Presentations
- Participation
- Written Report
- In-tutorial test
- Final Examination

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Demonstrate a sound knowledge of the conceptual framework of the principal rules that relate to taxation in Australia.
- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Develop a suitable set of tax management strategies for individuals and business at various stages.
- Use, present and evaluate numerical or statistical information related to taxation.
- Work collaboratively to solve legal problems related to taxation.
- Undertake independent research on taxation issues through using electronic information retrieval systems.

Assessment tasks

- Weekly problems
- Presentations
- Participation
- Written Report
- In-tutorial test
- Final Examination

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Develop a suitable set of tax management strategies for individuals and business at various stages.
- Use, present and evaluate numerical or statistical information related to taxation.
- Work collaboratively to solve legal problems related to taxation.
- Undertake independent research on taxation issues through using electronic information retrieval systems.

Assessment tasks

- Weekly problems
- Presentations
- Participation
- Written Report
- In-tutorial test
- Final Examination

Creative and Innovative

Our graduates will also be capable of creative thinking and of creating knowledge. They will be imaginative and open to experience and capable of innovation at work and in the community. We want them to be engaged in applying their critical, creative thinking.

This graduate capability is supported by:

Learning outcomes

- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Develop a suitable set of tax management strategies for individuals and business at

various stages.

- Work collaboratively to solve legal problems related to taxation.

Assessment task

- Presentations

Effective Communication

We want to develop in our students the ability to communicate and convey their views in forms effective with different audiences. We want our graduates to take with them the capability to read, listen, question, gather and evaluate information resources in a variety of formats, assess, write clearly, speak effectively, and to use visual communication and communication technologies as appropriate.

This graduate capability is supported by:

Learning outcomes

- Identify tax issues and be able to apply the Income Tax, Fringe Benefits Tax, GST and the Taxation Administration Act provisions to simulated real life situations for the purposes of giving professional advice.
- Develop a suitable set of tax management strategies for individuals and business at various stages.
- Use, present and evaluate numerical or statistical information related to taxation.
- Work collaboratively to solve legal problems related to taxation.

Assessment tasks

- Weekly problems
- Presentations
- Participation
- Written Report
- In-tutorial test
- Final Examination

Engaged and Ethical Local and Global citizens

As local citizens our graduates will be aware of indigenous perspectives and of the nation's historical context. They will be engaged with the challenges of contemporary society and with knowledge and ideas. We want our graduates to have respect for diversity, to be open-minded, sensitive to others and inclusive, and to be open to other cultures and perspectives: they should have a level of cultural literacy. Our graduates should be aware of disadvantage and social justice, and be willing to participate to help create a wiser and better society.

This graduate capability is supported by:

Learning outcome

- Develop a suitable set of tax management strategies for individuals and business at various stages.

Changes since First Published

Date	Description
17/07/2014	Updated Disruption to Study and Special Consideration section