



ACCG3020

Taxation Law and Practice

Session 1, In person-scheduled-weekday, North Ryde 2022

Department of Accounting and Corporate Governance

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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

Yega Muthu

yega.muthu@mq.edu.au

Credit points

10

Prerequisites

(20cp at 2000 level or above including (BUSL250 or BUSL251 or ACCG2051)) or 40cp in LAW units at 2000 level

Corequisites

Co-badged status

Unit description

This unit introduces students to the tax framework operating in Australia. It looks at the regulatory environment and the impact of the conceptual framework on key areas of taxation including income tax; goods and services tax; and fringe benefits tax. After completing this unit, students will be able to recognise, describe and analyse taxation issues and apply tax concepts to problems encountered in a contemporary setting.

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:

ULO1: Identify tax issues and apply the provisions of relevant tax legislation to real-life situations

ULO2: Develop a suitable set of tax management strategies for a variety of taxpayers including international tax transactions

ULO3: Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software

ULO4: Apply research skills to source and interrogate tax law materials and interpret complex legal information

ULO5: Produce professionally written tax advice which presents a clear and well

supported justification of guidance given

Assessment Tasks

Name	Weighting	Hurdle	Due
Online Final Exam	60%	No	University Examination Period
Case study	20%	No	Week 9-16.05.2022(before 5pm)
Assessed Coursework	10%	No	Weekly-27.05.2022
Online Quiz	10%	No	Week 5-25.03.2022(before 12 noon)

Online Final Exam

Assessment Type ¹: Examination

Indicative Time on Task ²: 30 hours

Due: **University Examination Period**

Weighting: **60%**

A two-hour online examination (open book) will be held during the University Examination period.

On successful completion you will be able to:

- Identify tax issues and apply the provisions of relevant tax legislation to real-life situations
- Develop a suitable set of tax management strategies for a variety of taxpayers including international tax transactions
- Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software
- Apply research skills to source and interrogate tax law materials and interpret complex legal information

Case study

Assessment Type ¹: Case study/analysis

Indicative Time on Task ²: 30 hours

Due: **Week 9-16.05.2022(before 5pm)**

Weighting: **20%**

Students will be presented with a set of facts which will require them to identify the main tax

issue(s), provide a detailed analysis of the tax issues, and apply relevant taxation laws to arrive at a conclusion in the form of a piece of advice. Students are required to communicate their professional tax advice via a 1500-word report.

On successful completion you will be able to:

- Identify tax issues and apply the provisions of relevant tax legislation to real-life situations
- Develop a suitable set of tax management strategies for a variety of taxpayers including international tax transactions
- Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software
- Apply research skills to source and interrogate tax law materials and interpret complex legal information
- Produce professionally written tax advice which presents a clear and well supported justification of guidance given

Assessed Coursework

Assessment Type ¹: Participatory task

Indicative Time on Task ²: 15 hours

Due: **Weekly-27.05.2022**

Weighting: **10%**

The Assessed Coursework Task (10%) is comprised of two tasks: 5% for individual presentations to assigned Tutorial questions during Zoom Tutorial sessions. The other 5% is awarded for a Reflection Report (500-600 words) due in week 11 online via Turn-it-in.

On successful completion you will be able to:

- Identify tax issues and apply the provisions of relevant tax legislation to real-life situations
- Develop a suitable set of tax management strategies for a variety of taxpayers including international tax transactions
- Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software
- Apply research skills to source and interrogate tax law materials and interpret complex legal information

Online Quiz

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 10 hours

Due: **Week 5-25.03.2022(before 12 noon)**

Weighting: **10%**

The Online Quiz will consolidate students' knowledge, skills, and capabilities in relation to the foundation principles of tax law and practice.

On successful completion you will be able to:

- Identify tax issues and apply the provisions of relevant tax legislation to real-life situations
- Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software

¹ If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

² Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

Delivery and Resources

[Delivery and Resources](#)

Required Text: There are a number of general texts covering the content of this unit. Students are advised to acquire each of the texts appearing under the heading "PRESCRIBED TEXTS".

PRESCRIBED TEXTS (Students **must** have access to these books AT ALL TIMES).

1. **Textbook:** Sadiq (Gen. Ed.), Coleman, Hanegbi, Hart, Jogarajan, Krever, McLaren, Obst, Ting, *Principles of Taxation Law*, 15th ed (Thomson Reuters, 2022). - cited throughout this Unit Guide as Sadiq'
2. **Workbook:** LJ Nethercott, L. Gonzaga and K Devos, *Australian Taxation Study Manual, Questions and Suggested Solutions* (30th edn, Oxford University Press, 2020)
3. **Legislation:** Barkoczy, Pinto and Sadiq, *2022 Fundamental Tax Legislation*, Thomson Reuters

Unit Web Page: The ACCG3020 homepage is at: ilearn.mq.edu.au.

You can directly access the Unit Guide, and the Assessment Guide, the current lecture outlines, Echo 360 recordings, announcements related to the unit, library and other useful websites via the ACCG3020's i-Learn site.

Delivery Format and Other Details:

Lectures and Tutorials

The main means of presentation is by way of 13 two-hour lectures and 12 weekly tutorials of one hour duration. Lectures cover the basic material as outlined in the listed topics, as well as noting where each topic fits into the overall framework of the tax regime. The Lectures will be recorded on Echo 360 on a weekly basis.

Each week's lecture outlines (PowerPoint slides) will also be posted on i-Learn prior to the formal lecture. They are not intended to be a substitute for lecture attendance. These outlines are only core notes and they are **NOT** intended to be treated as stand alone resources nor in place of lecture attendance. They are provided for your convenience. You cannot rely on these outlines to the exclusion of the allocated reading tasks for each week. *You are expected to prepare your own notes from the prescribed reading set out in this unit's **Assessment Guide** to supplement the material set out in the lecture outlines.*

The Tutorial sessions will be run online via Zoom as well as in face-to-face modes. The Tutorial questions for each week's class are also to be found in the unit's **Assessment Guide**. The tutorial questions have been designed to provide a practical application of the principles discussed in lectures. Tutorials will involve an analysis and discussion of preset questions based on the previous week's lecture. They therefore complement and consolidate the topics covered in lectures. **It is essential that adequate preparation be undertaken BEFORE each tutorial in order for the full benefit to be gained.**

Attendance and participation in Tutorials are compulsory. Students - (including those

enrolled in the i-Lecture stream) - will therefore be expected to attend and to participate in tutorials through, contributions to class discussions, formal presentations during tutorials, and showing an interest in other learning activities conducted by the Tutor.

Classes

- - The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>
 - Students can only change their allocated lecture or tutorial class in the first three (3) weeks through the e- Student system and only when there is a vacancy in that class.
 - If a student changes classes in the first three weeks, it is their responsibility to inform both their old tutor and their new Tutor. Failure to inform Tutors about the change in class allocation may result in a student not obtaining all the class marks for which all students are eligible.
 - You must attend your official tutorial class. Tutors will keep attendance records and you can only attend class or sit for the class presentation in your registered tutorial. Please ensure that you know your Tutor's name and your tutorial class number .
 - **Students enrolled in the i-Lecture stream are expected to attend the weekly tutorials and to participate in completing the "Assessed Coursework" components of this unit.**
 - In cases where classes have been missed because of illness or misadventure, it is up to the student to provide relevant documentation - (such as medical certificates or other reports) - explaining the reasons for their absence. The documentation must be lodged with BESS in accordance with the special consideration application procedure.
 - Students are expected to arrive on time and not to leave until the class ends.
 - If you have a recurring problem that makes you late, or compels you to leave early, have the courtesy to discuss this with your lecturer/tutor.
 - Students who disturb or disrupt in lectures and tutorial class will be asked to leave.

Prizes

- The Department of Accounting and Corporate Governance Prize for Taxation Law and Practice is awarded for proficiency in the Sessions 1 and 2 offerings of this unit respectively.
- http://www.businessandconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships

Recommended Readings:

RECOMMENDED TEXTBOOKS

The acquisitions of the following are OPTIONAL. Students should consult the lecturer before making a purchase from books in this category.

Any of the following books may also be of use:

- - - Woellner, Barkoczy, Murphy, Evans and Pinto, *Australian Taxation Law* (31st edn, Oxford University Press 2021)
 - Sadiq, *Australian Taxation Law Cases* (Thomson Reuters, 2022)
 - S Barkoczy, *Australian Tax Casebook* (15th edn, Oxford University Press, 2020).
 - Hodgson, Mortimer, and Butler, *Tax Questions & Answers 2020* (Thomson Reuters, 2020).

Note: It is pointless having an out of date edition of the textbook. REFERENCE MATERIALS

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

1. **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.

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

1. **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

1. 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.cpaaustralia.com.au>. This site contains relevant information including policy submissions canvassing tax reform.
- Chartered Accountants Australia and New Zealand: <https://www.charteredaccountantsanz.com/>. This site

- 2022 Australian Master Tax Guide (CCH), 70th ed

1. Professional Reference Texts

contains relevant information including policy submissions canvassing tax reform.

- Taxation Institute of Australia: www.taxinstitute.com.au. This site provides useful resources and professional development activities in tax.
- 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>

For a weekly update on tax developments, students are advised to consult either CCH Tax Week or the Thomson Reuters Weekly Tax Bulletin; the former can be accessed from the University Library's database

- Australian Tax Review
- Australian Tax Forum, a journal of taxation policy, law and reform
- Taxation in Australia
- The Tax Specialist
- The Australian Accountant
- The Journal of Australian Taxation
- The Chartered Accountant in Australia
- The Australian Law Journal, it contains a section called "Revenue Notes" which features articles on important decisions.

1. Update on Tax Developments

Articles in legal and accounting journals are invaluable aids in keeping up to date with developments in tax law and practice. These include:

1. Journals

- 2022 *Australian Tax Handbook* (Thomson Reuters)
- 2022 *Australian Master GST Guide* (CCH)
- 2022 *Australian GST Handbook* (Thomson Reuters)

Unit Schedule

LECTURE TOPICS AND DATES IN THIS UNIT

<u>Week</u>	<u>Lecture</u>	<u>Topic</u>
<u>Commencing</u>		

21 February 2022	1	<p>Study Skills for Tax Law</p> <p>Operating Framework of the Australian Tax System:</p> <ul style="list-style-type: none"> • Constitutional basis of taxation - relationship between the Commonwealth and the States; • Sources of income tax law; • Structure of the income tax legislation and how the parts fit together <p>Tax Administration: In brief</p> <ul style="list-style-type: none"> • operation and enforcement of the Act and ancillary legislation; • the assessment process; appeal procedures; • rights and remedies of the Commissioner and taxpayer; • tax agents.
28 February 2022	2	<p>The concept of income:</p> <ul style="list-style-type: none"> • distinction between "income" and "capital"; • exempt income; • residence and source; derivation of income <p>Calculation of Tax Payable:</p> <ul style="list-style-type: none"> • Formulas, Rates & Offsets <p>Tax collection mechanisms</p>
7 March 2022	3	<p>The Income Concept: Incidental Issues</p> <ul style="list-style-type: none"> • Income from Personal Services and Employment • Income and Business • Fruit and tree analysis • Income from Property Interest
14 March 2022	4	<p>Assessable Deductions:</p> <ul style="list-style-type: none"> • The general provision • Substantiation of expenses
21 March 2022	5	<p>Assessable Deductions II:</p> <ul style="list-style-type: none"> • Specific Provisions related to deductions • ON LINE QUIZ-DUE MID WEEK 5

Important Notice: The Online Quiz is due on Friday 25 March 2021 on or before 12 noon.

The online quiz opens at 12:00 noon on Thursday, 24 March 2022 and

closes at 12:00 noon on Friday, 25 March 2021.

<u>Week Commencing</u>	<u>Lecture</u>	<u>Topic</u>
28 March 2022	6	<p>Statutory Income:</p> <ul style="list-style-type: none"> • Taxation of capital gains and losses; • calculation of capital gains and losses; • inter-relationship with the income taxing provisions <p>Revision:</p> <p>How Topics 1-6 fit together</p>
4 April 2022	7	<p>Other key Taxes such as Fringe Benefits Tax and Goods and Services Tax</p> <ul style="list-style-type: none"> • what is exempt and non-exempt • GST- goods and services which are subject to a 10% levy
<p>Mid-Session Break 11 April 2022 to 25 April 2022</p> <p>Anzac Day 25 April 2022</p>		
2 May 2022	8	<p>Principles of Compensation</p> <ul style="list-style-type: none"> • Compensation for losses incurred by individuals • Compensation for business losses • Composite claims • Reimbursement of previously deducted expenses
<p><u>Important Notice:</u></p> <p>The Take-home Assignment (Case Study) will be posted on iLearn at 17:00 pm Wednesday, 11 May 2022. The written responses must be submitted at 17:00 on Monday, 16 May 2022 via Turn-it-in on this unit's iLearn facility.</p>		

<p>9 May 2022</p>	<p>9</p>	<p>Timing Issues: Tax accounting-derivation, cash v accruals, dividends, prepaid</p> <p>Trading Stock: Accounting method, 'on hand', work in progress, lost or destroyed stock, value of closing stock, spare parts and consumables, 'arm's length', small business entities (SBE)</p>
<p>16 May 2022</p>	<p>10</p>	<p>BUSINESS ENTITIES I: Sole Traders and Taxation of Partnerships</p> <p>Superannuation</p> <ul style="list-style-type: none"> • Concessional Contribution • Non-concessional Contribution • Low-income superannuation tax offsets • Taxation of superannuation benefits paid to members, lump sum • Taxation of benefits paid as income stream • Entitlements to receive death benefit and taxation of a death benefit

<u>Week Commencing</u>	<u>Lecture</u>	<u>Topic</u>
<p>23 May 2022</p>	<p>11</p>	<p>ENTITIES II: Taxation of Companies and Shareholders:</p> <ul style="list-style-type: none"> • Issues related to corporate taxation • Dividends and shares, imputation system

30 May 2022	12	<p>Trust Estates and Beneficiaries; minors</p> <ul style="list-style-type: none"> • The tax and its applications in practice <p>International Taxation</p> <ul style="list-style-type: none"> • Taxation of foreign source income of residents • Taxation of foreign residents-withholding tax, CGT • Investment overseas-companies and trusts • Foreign Tax Offsets and Losses • Transfer pricing, treaties, exchange agreements
6 June 2022	13	<p>Tax Administration</p> <p>Tax Lodgments, Assessments, Collection of Tax, Penalties, objections, reviews and appeals.</p> <p>Anti-Avoidance Legislation and the Ethics of Tax Practice</p> <ul style="list-style-type: none"> • Alienation of Personal Services Income; • Basic techniques of tax planning; • Ethical issues in tax practice
		<p>Revision:</p> <p>How the entire course fits together</p>
<p>FINAL EXAMINATION PERIOD</p> <p>6-24 June 2022</p>		
TBA	SUPPLEMENTARY EXAM PERIOD	

Policies and Procedures

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

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)

- [Fitness to Practice Procedure](#)
- [Assessment Procedure](#)
- [Complaints Resolution Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#)

Students seeking more policy resources can visit [Student Policies \(https://students.mq.edu.au/support/study/policies\)](https://students.mq.edu.au/support/study/policies). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

To find other policies relating to Teaching and Learning, visit [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au) and use the [search tool](#).

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/admin/other-resources/student-conduct>

Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au or if you are a Global MBA student contact globalmba.support@mq.edu.au

Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

Student Support

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

The Writing Centre

[The Writing Centre](#) provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

Student Services and Support

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault
- [Social support including information about finances, tenancy and legal issues](#)

Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

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

Changes since First Published

Date	Description
11/02/2022	Information on delivery and resources including textbooks were not previously included.