



UNIVERSITY
OF TASMANIA

BFA391
TAXATION

School of Accounting and Corporate Governance
Faculty of Business

Semester One 2008

Unit Outline

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CRICOS Provider Code: 00586B

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1. Unit description

This unit is designed to assist students in gaining an understanding of the theoretical concepts that underpin taxation law in Australia. This knowledge is used to develop skills in the application and interpretation of basic taxation legislation, specifically income tax, capital gains tax, fringe benefits tax and GST. This unit will incorporate case law and tax rulings where relevant. As this unit is a compulsory unit in the accounting major, its emphasis is on the application of taxation to different business entities and individuals.

Students need to have successfully completed the prerequisites BFA104 and BFA141 to enrol in this unit.

2. Learning outcomes

At the conclusion of the unit you should be able to:

- 1 Explain basic taxation theoretical concepts through the application of relevant legislation, cases, rules, rulings and principles of income tax law (links to the knowledge and communication skills graduate attributes);
- 2 Apply taxation law to specific situations (links to the knowledge and problem-solving skills graduate attributes);
- 3 Calculate tax liability/refund or elements thereof (links to the knowledge graduate attribute);
- 4 Communicate your level of understanding clearly and concisely (links to the communication skills graduate attribute).

3. Generic graduate attributes

The University has defined a set of generic graduate attributes that can be expected of all graduates (see <http://www.utas.edu.au/tl/policies/index.htm>). By undertaking this unit you should make progress in attaining the following attributes:

- Knowledge: explain basic taxation concepts through research and the application of taxation information;
- Communication skills: write coherently on taxation issues;
- Problem-solving skills: interpret scenarios, identify relevant taxation issues and use taxation knowledge to justify an answer.

Each of these generic graduate attributes is integrated in each assessment task in the unit.

4. Learning resources required

Please note that taxation is a dynamic unit where changes are made on a regular basis and texts are updated regularly. When purchasing or referring to a textbook you should obtain the most recent edition. Earlier editions are unsuitable and should not be relied upon.

Essential Texts

Deutsch, R.L. (2008). *2008 Fundamental Tax Legislation*, 16th edition. Sydney: Thomson.

Deutsch, R.L., et al (2008). *2008 Australian Tax Handbook*, Sydney: Thomson.

Textbooks may be purchased from the Co-op Bookshops in Hobart and Launceston. The two books will be available as a pack at a slightly lower price.

Supplementary References

You will benefit from reading as broadly as possible. Try and obtain the latest edition of the following references if you need assistance in completing assignments and/or if you are having trouble understanding components of the course:

Barkoczy, S., (2007), *Australian Tax Casebook*. 8th Edition, CCH, Sydney.

Barkoczy, S., (2008), *Core Tax Legislation and Study Guide*, 11th Edition, CCH, Sydney.

CCH, (2008), *Australian Master Tax Guide*, 42nd Edition, CCH, Sydney.

CCH, (2007), *Master Tax Examples*, 6th Edition, CCH, Sydney.

Hodgson, H.M., Fisher, R.K., (2007). *Tax Questions & Answers 2007*, Thomson ATP, Sydney.

Kobetsky, M., Dirkis, M. J. and O'Connell, A. (2006). *Income Tax Text, Materials & Essential Cases*. 6th Edition, The Federation Press, Sydney.

Nethercott, L.J., et al (2007). *Australian Taxation Study Manual: Questions and Suggested Solutions*, 17th Edition, CCH, Sydney.

Obst, W., Smith, D. M. & Hanegbi, R., (2006), *Successful Tax Study 2006-07*, Thomson ATP, Sydney.

Woellner, R.H., Barkoczy, S., Murphy, S. and Evans, C., (2008), *Australian Taxation Law*, 18th Edition, CCH, Sydney.

E-(electronic) resources

Useful tax and related legal information obtained from the Internet may be of assistance to you in gaining a more in-depth understanding and in completing your assignments. Please note, Internet sites are periodically updated and site addresses may change from time to time. Some useful tax and research sites are listed below.

Australian Government

The Australian Tax Office (ATO) maintains a website. It allows access to the ATO Legal Database, which contains legislation, cases and taxation rulings.

<http://www.ato.gov.au/>

The ATO Business Entry Point (general help for small business)

<http://www.business.gov.au>

Review of business taxation – contains the Ralph Report

<http://www.rbt.treasury.gov.au>

Australian Professional Bodies

The Australian Tax Institute of Australia

<http://www.taxinstitute.com.au/>

CPA Australia

<http://www.cpaaustralia.com.au/>

The Institute of Chartered Accountants in Australia

<http://www.icaa.org.au>

National Institute of Accountants

<http://www.nia.org.au>

University Library Database Resources

The University library has many resources including access to a tax database: Taxpoint. This database has complete legislation, cases and rulings as well as search functions. Check with the University library for more details.

Other Sites

Atax - part of UNSW

<http://www.atax.unsw.edu.au/>

Taxpayers Australia Inc.

<http://www.taxpayer.com.au>

MyLO

All lecture notes, tutorial questions, past exam papers, tutorial lists, assessment results and any other materials used in the course will be placed on MyLO. Check the site regularly for announcements. You are encouraged to pose questions via MyLO rather than by e-mail to teaching staff as this allows everybody in the unit to participate in the discussion. You can forward MyLO emails to your own account very simply and this information is included in *MyLO: Information for Students*
<http://www.utas.edu.au/tlo/>

Computer hardware and software

For MyLO

To access MyLO from your own computer you will need the appropriate software, and hardware to run that software. See *Learning Online* at <http://www.utas.edu.au/coursesonline/software.htm> for computer software required.

Note: Older computers may not have the hardware to run some of the required software applications. Contact your local IT support person or the Service Desk on 6226 1818 if you experience difficulties.

5. Details of teaching arrangements

Lectures

This unit is based around a weekly 100-minute lecture. The lectures will be used to introduce the various taxation topics that will be covered in the unit. They will consist of topic overviews, explanations and summaries. *It is expected that you will complete all the relevant reading before attending each week's class (refer to the study schedule for list of readings required).*

Please note that taxation is a very complex subject. Lectures can only be used to introduce each taxation topic. It is expected that through weekly reading, completing the tutorial questions and the assessment requirements, you will be exposed to a deeper understanding and become more informed on the topic of taxation.

Tutorials

Tutorials start in week 2 and are of 50 minutes duration. Tutorials will reinforce the content of the lectures and provide an opportunity to engage in problem solving illustrative of the sections of the taxation legislation and supporting cases and taxation rulings. A summary of the important points that should be covered in answering the tutorial questions will be posted on MyLO at the conclusion of each week's class. To help reinforce the understanding you gain in the tutorials additional self check questions and case summaries will also be made available on MyLO.

Please note that assessable tutorial exercises will be a part of the tutorial program for this unit and attendance is very important.

6. Learning expectations and strategies

Expectations

Accounting and Corporate Governance students are faced with the challenge of developing technical skills as well as developing their independent learning skills as required by the business community and by the professional bodies. The process of "learning to learn" is nurtured by the University of Tasmania through learning

activities that empower and enable students to undertake their own learning. The University's aim is to change students from being passive recipients to active participants.

The enabling process occurs as a result of developing generic learning skills, problem-solving and communication skills, and by fostering appropriate learning attitudes, such as a willingness to initiate action, accept alternative points of view and to understand personal limitations.

You are therefore expected to take responsibility for your own learning. To maximise the benefit that you can derive from this unit it is crucial that you attend and thoroughly prepare for the weekly lectures and tutorials by carefully studying all the appropriate readings and formulating questions on matters with which you are experiencing difficulty. If you miss any timetabled session, it is YOUR responsibility to obtain any information that you have missed.

Further information about the Faculty's philosophy on teaching and learning is set out in the *Faculty's Guide for Students* which is available on BFA391's MyLO site and at the School of Accounting and Corporate Governance website: <http://www.utas.edu.au/accg/studentres.htm>. The University's Code of Conduct for Teaching and Learning is set out in the University Calendar at: <http://www.admin.utas.edu.au/handbooks/utashandbooks/rules/ctea.html> and states:

Students are expected to participate actively and positively in the teaching/learning environment. They must attend classes when and as required, strive to maintain steady progress within the subject or unit framework, comply with workload expectations, and submit required work on time.

The University is committed to high standards of professional conduct in all activities, and holds its commitment and responsibilities to its students as being of paramount importance. Likewise, it holds expectations about the responsibilities students have as they pursue their studies within the special environment the University offers.

Strategies

Although you are expected to take responsibility for your own learning, you are not on your own. The lecturers and tutors are available to help facilitate, and if you need additional information refer to the Learning Development website: <http://www.utas.edu.au/learndev/>

One strategy that should help you achieve excellent results is that of organising your time so that you spend between 10 to 12 hours a week studying this unit, such as:

<i>Activity</i>	<i>Per week</i>
<i>Class contact – lectures and tutorials</i>	<i>3 hours</i>
<i>Reading before class</i>	<i>2 hours</i>
<i>Consolidating material after class and practicing exercises</i>	<i>3 hours</i>
<i>Preparing for class, assessments and the exam</i>	<i>4 hours</i>

It is strongly advised you work through the assigned problems again *after* your tutorial in order to participate actively and confirm your understanding of the various topics.

Warning: This subject has a high level of reading content. Ensure that you are well prepared and organised!

7. Specific attendance/performance requirements

There are no specific attendance requirements for this unit, however, **in order to pass this unit you must achieve an overall mark of at least 50 per cent AND have completed and submitted each item of assessment.**

Absence from test

If you miss the test for an acceptable reason (for example, if a medical certificate is provided to the lecturer), the weighting for the test will be added to the weighting for the final examination. In other words, the final examination would then be worth 80% of your final assessment. Alternative test papers will not be set if you miss the test. Work commitments are not considered an acceptable reason for missing the test.

Absence from classes

If you miss any timetabled session, it is your responsibility to obtain any information that you have missed. Any announcements made in lectures will be available through the unit's MyLO site.

Absence from a tutorial may result in your not being allocated marks for the assessable exercise conducted in that tutorial. In order to gain maximum marks for exercises undertaken for tutorials you must attend all 10 of the assessable tutorials.

8. Assessment

Assessment schedule

Assessment task	Date due	Percent weighting
Assessment Task 1: Weekly tutorial exercises	Commencing week 3	15%
Assessment Task 2: Test	Week 6	10%
Assessment Task 3: Assignment	3pm Thursday 8 May	15%
End of semester exam		60%

Assessment details

Assessment Task 1 –15%

Weekly Tutorial Exercises

- Tutorials:** Tutorials are held each week commencing in **WEEK 2**. The first assessable tutorial will be the tutorial conducted in week 3 and thereafter weekly.
- Task description:** In the first tutorial and thereafter weekly, you will be given an exercise comprising two or more problems which you are required to solve and to produce your individual written solutions in the tutorial to be held in the following week. The weekly tutorial exercises will also be posted each week on the BFA391 MyLO site.
- Each tutorial exercise will test your knowledge of the work covered in the previous week's lecture and associated reading materials.
- Marking** 1.5 marks will be allocated for correct answers to each tutorial exercise. As part of the learning process during each tutorial, you will be asked to peer mark another student's written solution. Final allocation of marks will be made by the tutor. The total number of marks which you may achieve by regular attendance at tutorials and satisfactory completion of tutorial exercises is 15 marks made up of 10 tutorial exercises.
- Format** Each **solution** submitted in a tutorial must be typed in 11-point Times New Roman font and be easily read. Each page must be numbered and calculations must be clearly presented with explanatory information in the margin or by way of footnote. Generally solutions should not exceed two pages.
- Link to unit's learning outcomes:** 1.2.3.4
- Assessment criteria:** Interpretation of various scenarios, identification of issues, relevant taxation legislation, cases and rulings. Logical and clear presentation.
- Due dates:** At commencement of each relevant tutorial.

Assessment Task 2 –10%

Test

Task description	You will be given questions relating to material covered in weeks 1 – 4 inclusive, which you will be required to answer within 50 minutes (open book).
Task length	Limited by time: 50 minutes.
Link to unit's learning outcomes	1, 2, 3, 4
Assessment criteria/ guidelines	Interpretation of various scenarios, identification of issues, relevant taxation legislation, cases and rulings. Logical and clear presentation.
Date due	During the lecture time in WEEK 6.

Assessment Task 3 – 15%

Assignment applying income, deductions & CGT concepts

Task description	Written in-depth analysis and calculation of tax liability/refund based on income, deduction and CGT concepts.
Task length	1500 words
Link to unit's learning outcomes	1, 2, 3, 4
Assessment criteria/ guidelines	Interpretation of the scenario, identification of relevant issues, taxation legislation, cases and rulings. Correct calculation of tax liability/refund. Logically argued and clearly presented.
Date due	3pm, Thursday 8 May, 2008

Final exam – 60%

Description / conditions	You are permitted to take into the examination room your two prescribed text books and a non-programmable calculator.
Date	The final exam is conducted by the University Registrar in the formal examination period. See the Current Students' homepage (Examinations and Results) on the University's website.

9. How your final result is determined

Your final result is calculated by adding your total assessment results to the final exam score. You must achieve an overall mark of at least 50 per cent AND have completed and submitted each item of assessment (including at least 8 tutorial exercises) to pass the unit.

10. Learning Outcomes/Generic Graduate Attributes Matrix

Assessment task: 1	Tutorial exercises				
Assessment task: 2	Test				
Assessment task: 3	Assignment				
Final Examination:	3 hour open book				
Learning Outcomes:					
	Learning outcome 1	√	√	√	√
	Learning outcome 2	√	√	√	√
	Learning outcome 3	√	√	√	√
	Learning outcome 4	√	√	√	√
UTAS Generic Graduate Attributes:					
	Knowledge	√	√	√	√
	Communication skills	√	√	√	√
	Problem-solving skills	√	√	√	√

Matrix adapted from Unit Outline, Faculty of Business, University of the Sunshine Coast 2003

11. Submission of assignments

Assignments should be submitted in accordance with the *Guide for Students* issued by the Faculty of Business <http://www.utas.edu.au/accg/studentres.htm> Signed assignment coversheets must be used for all assignments and these are available at the same website or at the BFA391 MyLO site. Assignments without a *signed* coversheet *will not be marked*.

Hobart - assignments are to be submitted via the assignment box, Level 5, Commerce Building, Hobart campus.

Launceston – assignments are to be submitted via the assignment box in the Accounting & Corporate Governance area, Launceston campus.

12. Penalties

Over-length Work

Where word limits have been specified, you should take care not to exceed this word limit, as any course work over the word limit will not be assessed. Submitted coursework which is over-limit will be returned to the student for re-submission and must be resubmitted within 48 hours of being returned. A penalty of 10% will be automatically deducted from the assignment and a further 10% will be deducted each day until the assignment is resubmitted.

Late Submission of Continuous Coursework

Consistent with the Faculty's policy on late submission, extensions of time will only be granted on medical or compassionate grounds. They will not be granted because of

work or other commitments. Requests for extension must be made to the *unit coordinator* in writing on the School's Application for Extension Form available at <http://www.utas.edu.au/accg/studentres.htm>. Medical certificates or other evidence, which supports the application, must be attached. Coursework that is not handed in by the agreed completion date will incur a penalty of 10% of the available mark for each day the assignment is late.

13. Academic referencing

In your written work you will need to support your ideas by referring to scholarly literature. It is important that you understand how to correctly refer to the work of others and maintain academic integrity.

Failure to appropriately acknowledge the ideas of others constitutes academic dishonesty (plagiarism), a matter considered by the University of Tasmania as a serious offence.

The appropriate referencing style for this unit is the Harvard system – refer to Faculty Guide for students <http://www.utas.edu.au/accg/studentres.htm>

For information on presentation of assignments, including referencing styles:

<http://www.utas.edu.au/library/assist/gpoa/gpoa.html>

Legal referencing (legislation, cases, taxation rulings)

When referencing legislation, please follow the referencing rules as set out below:

Legislation & Bills

The title to the legislation should be in italics. The first time that legislation is referred to it should be set out in full followed by a shortened version in brackets. The shortened version can be used thereafter. For example:

- *Income Tax Assessment Act 1997* (Commonwealth) (*ITAA 97*)

Cases

When referencing cases the title to the case should be in italics but not the year nor the rest of the citation eg:

- *FCT v Cooke & Sherden* (1980) 10 ATR 696

Taxation Rulings, Draft Rulings, Determinations and Guidelines

When referencing taxation rulings the title should be in italics but not the year nor the initials eg:

- *Taxation Ruling* TR 2000/6

Primary Source v Secondary Source

Where possible quote the primary source (legislation sections, cases and tax rulings) in preference to secondary and even tertiary sources (text books). Try not to quote the *Australian Tax Handbook*!

Please read the following statement on plagiarism. Should you require clarification please see your unit coordinator or lecturer.

14. Plagiarism

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own; for example, using an author's words without putting them in quotation marks and citing the source, using an author's ideas without proper acknowledgment and citation, copying another student's work.

If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer or tutor for relevant referencing guidelines, and the academic integrity resources on the web at

<http://www.utas.edu.au/tl/supporting/academicintegrity/index.html>.

The intentional copying of someone else's work as one's own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University. Details of penalties that can be imposed are available in the Ordinance of Student Discipline – Part 3 Academic Misconduct, see

<http://www.utas.edu.au/universitycouncil/legislation/>

The University reserves the right to submit assignments to plagiarism detection software, and might then retain a copy of the assignment on its database for the purpose of future plagiarism checking.

For further information on this statement and general referencing guidelines, see <http://www.utas.edu.au/plagiarism/> or follow the link under 'Policy, Procedures and Feedback' on the **Current Students'** homepage.

15. Getting Assistance

You are encouraged to contact your lecturer/tutor as early as possible if experiencing difficulties in the study of this unit. You can make an appointment with the lecturer/tutor by phone or email.

If you are having personal or life planning issues, disability or illness that may affect your course of study, you can discuss these with an appropriate staff member of the student support unit as soon as possible. Further information about the University's student support unit can be obtained at their web site:

<http://www.utas.edu.au/students/>

Student Services

If you are experiencing difficulties with your studies or assignments, have personal or life planning issues, disability or illness which may affect your course of study, you should discuss these with your lecturer and/or one of the following Student Services staff as soon as possible: Learning Skills Adviser, Student Counsellor, Careers Adviser, and/or Disability Adviser.

Student Services is located on the top floor in the Student Union/Association Building Hobart, Ground Floor of Student Centre Kerslake in Launceston or visit their website at: <http://student.admin.utas.edu.au/services/>

Should you require assistance in accessing the Library visit their website for more information: <http://www.utas.edu.au/library/>

International Services website provides information on the assistance available to international students: <http://www.international.utas.edu.au>

The Learning Development website has a wide range of resources on study skills and learning strategies: <http://www.utas.edu.au/learndev/>

School Ombudspeople

If you have any concerns about this unit then in the first instance you should discuss the matter with your unit coordinator. However, if you do not feel comfortable approaching your unit coordinator, or if you have a discussion with your unit coordinator and are not satisfied with the outcome, then you are encouraged to contact one of the Ombudspeople, who also teach in the School of Accounting and Corporate Governance. The school ombudspeople for 2008 are:

Mrs Simone Bingham
Room: 421, Faculty of Business
Building, Hobart
Ph: (+61 3) 6226 2314
email: Simone.Bingham@utas.edu.au

Belinda Williams
Room A257, Launceston
Ph: (+61 3) 6324 3661
email: Belinda.Williams@utas.edu.au

Discussions with your ombudsperson will be kept in the strictest confidence. If you wish to pursue the matter further, they will provide advice as to how this can be done. The University also has formal policies, which can be accessed at: http://www.admin.utas.edu.au/ac_serv/complaints_info.html

Unit Feedback

The University of Tasmania, on a regular basis, evaluates its teaching and learning environment through the Student Evaluation of Teaching and Learning (SETL) system. The University values feedback from students and from time to time you will be asked to complete a SETL evaluation for a unit of study. For more information on SETL go to: <http://student.admin.utas.edu.au/setl/index.html>

Students with Disabilities - University and Faculty Equity Plans

Goal 1 of the University of Tasmania Equity Plan provides for: “An inclusive teaching and learning environment that values diversity, supports the pursuit of academic excellence and produces high quality education and employment results for all students and staff”. The Faculty of Business Equity Plan facilitates the University Plan at an operational level and has developed an ‘Action Plan’. The Action Plan for Goal 1 lays down procedures to ensure that students have equal access to lecture and course materials. The School of Accounting & Corporate Governance complies with these procedures.

16. Study Schedule

Week Starting Monday	Topic	Australian Tax Handbook Chapters	Tutorial
1 25 Feb	1. Introduction to Taxation & Residency	1-3 26 48	
2 3 Mar	2. Income	4 22	Topic 1
3 10 Mar	3. General Deductions	17 22	Topic 2 Assessable tutorial exercises commence
4 17 Mar (1).	4. Specific Deductions	18-20	Topic 3
5 31 Mar	5. Capital Gains Tax	11-14	Topic 4
6 7 Apr	5. Capital Gains Tax cont'd.		Test undertaken during this week's lecture Topic 4
7 14 Apr	6. Taxation of Entities : Partnerships	28	Topic 5
8 21 Apr	7. Taxation of Entities : Companies	27	Topic 6
9 28 Apr	8. Taxation of Entities: Trusts & Minors	29 31	Topic 7
10 5 May	9. <i>Other Government Imposts - GST</i>		Assignment due for submission on 8 May, 2008. Topic 8
11 12 May	9. Other Government Imposts - FBT		Topic 8
12 19 May	10. Anti-Avoidance, Audits, Penalties	44-45 50 55	Topic 9
13 26 May	11. Overview		Topic 10
	<i>Study Period 2 June - 6 June</i> <i>Examination period 7 June - 24 June</i>		

(1) Easter Break is 20 March – 26 March, 2008 inclusive.