



BFA714
Australian
Tax Law
Semester Two 2006

School of Accounting and Corporate Governance

Faculty of Business

Unit Outline

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1. Unit description

This unit is designed for students to gain a practical working knowledge of Australian taxation laws, and to develop skills in the interpretation and application of basic taxation legislation, cases and rulings. The focus of the unit is on an understanding of income tax including assessable income and allowable deductions for individuals and different business entities. An understanding of capital gains tax will be developed and fringe benefits tax and GST will be introduced.

2. Learning outcomes

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

- 1 Explain basic taxation concepts through the application of relevant legislation, cases, rules, rulings and principles of income tax law (links to the knowledge and communication skills graduate attribute).
- 2 Apply taxation law to specific situations (links to the knowledge and problem-solving skills graduate attribute).
- 3 Calculate tax liability/refund or elements thereof (links to the knowledge graduate attribute).
- 4 Appraise the demonstrated understanding of taxation concepts of a peer (links to the knowledge graduate attribute).
- 5 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 and every 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. (2006). *2006 Fundamental Tax Legislation*, 14th edn. Sydney: Thomson.

Deutsch, R.L., Friezer, M.L., Gibson, M. M., Handley, P.J., Snape, T.J. (2006). *2006 Australian Tax Handbook*, Sydney: Thomson.

Textbooks may be purchased from the Co-op Bookshops in Hobart.

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. (latest edition). *Australian Tax Casebook*. Sydney, CCH.

Barkoczy, S. (latest edition). *Core Tax Legislation and Study Guide*. Sydney, CCH.

CCH (latest edition). *Master Tax Guide*. Sydney, CCH

Emmerton, K.E., Fisher, R.K. and Hodgson, H.M. (latest edition). *Tax Questions & Answers*. Sydney: ATP.

Kenny, P. (latest edition). *Australian Tax*, Chatswood, LexisNexis Butterworths

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

Morrison, D. (latest edition). *Taxation Law in Principle*. Sydney, Thompson, ATP

Woellner, R.H., Barkoczy, S., Murphy, S. and Evans, C. (latest edition). *Australian Taxation Law*. Sydney, CCH.

E-(electronic) resources

Useful tax and related legal information obtained from the Internet may be of assistance to you in gaining a more indepth 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>

Australian Professional Bodies

Taxation 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>

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 library for more details.

Other Sites

Atax - part of UNSW
<http://www.atax.unsw.edu.au/>

Taxpayers Australia Inc.
<http://www.taxpayer.com.au>

WebCT Vista

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

Computer hardware and software

For WebCT Vista

To access WebCT Vista 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 90-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 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 workshop questions and the assessment requirements, you will be exposed to a deeper understanding and become more informed on the topic of taxation.

Workshops

Workshops start in week 1 (90 minutes per week) and 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 their supporting cases and taxation rulings. A summary of the important points that should be covered in answering the workshop questions will be posted on WebCT Vista at the conclusion of each week's class. It is essential that you attend workshops to develop your skills in answering these questions. Self check questions and case summaries will also be made available on WebCT Vista to help reinforce the understanding you gained in the workshops.

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 thoroughly prepare for the weekly classes 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 WebCT Vista site and at the Accounting and Corporate Governance School's 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 this, 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 organizing 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 workshops</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 workshop 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

You are expected to attend lectures and workshops. You must achieve an overall mark of at least 50 per cent AND have completed and submitted each item of assessment to pass the unit.

8. Assessment

Assessment schedule

Assessment task	Date due	Percent weighting
Assessment task 1: Application of residency concept	9 Aug	10
Assessment task 2: Application of income and deductions tax concepts	30 Aug	20
Assessment task 3: Peer reviewed test	Week of 2 Oct in class	10
End of semester exam		60

Assessment details

Assessment task 1 – 10%

Application of residency concept

Task description	A short written analysis of an aspect of residency.
Task length	1,000 words
Link to unit's learning outcomes	1, 2, 5
Assessment criteria/ guidelines	Identification of issues. Application of relevant taxation legislation, cases and rulings. Logically argued and clearly presented.
Date due	4pm Wednesday 9 Aug

Assessment task 2 –20%

Application of income, deductions & CGT concepts

Task description	Written in-depth analysis and calculation of tax liability/refund based on income, deduction & CGT concepts.
Task length	2,000 words
Link to unit's learning outcomes	1, 2, 3, 5
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	4pm Wednesday 30 August

Assessment task 3 –10%

Peer reviewed test

Task description	You will be given questions in your class on partnerships, companies and trusts, which you will have to answer within 1 hour (open book). You will spend the next 30 minutes marking your peer's answer.
Task length	Limited by time: 90 minutes
Link to unit's learning outcomes	1, 2, 4, 5
Assessment criteria/ guidelines	Identification of issues, relevant taxation legislation, cases and rulings. Valid argument and appraisal of peer. Logical and clear presentation.
Date due	During workshops beginning 2 October

Final exam – 60%

Description / conditions

The examination will be “open book” - textbooks will be permitted. You are also permitted to take into the examination room a 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 to pass the unit.

Standardisation

In order to maintain the high reputation of the School of Accounting and Corporate Governance in the wider community – educationally, academically and by business - the School does not standardise student results. Rather, the School expects high standards of their students, and insists that students devote sufficient time and effort to their studies throughout the semester to achieve grades of pass or higher on merit.

10. 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, the BFA714 WebCT Vista site or from the School office. Assignments without a *signed* coversheet *will not be marked*. Assignments are to be submitted via the assignment box, Level 5, Commerce Building, Hobart campus.

11. Penalties

Over-length Work

Where word limits have been specified, you should take care not to exceed this word limit, as you will be penalised 10% of your mark for every 10% over the word limit. References, appendices and footnotes do not count in the word limit.

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 awarded mark for each day the assignment is late. Normally assignments that are over a week late will not be marked.

12. 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). So 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.

13. 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.

14. 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.

School Ombudsperson

If you have any concerns about this unit then in the first instance you should discuss the matter with your lecturer. However, if you do not feel comfortable approaching your lecturer, or if you do have a discussion with the lecturer and are dissatisfied with the outcome, then you may contact one of the following people who also teach in the School of Accounting and Corporate Governance:

Mrs Simone Bingham
Room: 421, Commerce Building, Hobart
Ph: (+61 3) 6226 2314
E-mail: Simone.Bingham@utas.edu.au

Mr David Moore
Room: A259, Launceston
Ph: (+61 3) 6324 3558
E-mail: David.Moore@utas.edu.au

Discussions with Simone or David 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://student.admin.utas.edu.au/services/complaints/index.html>

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/>

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.

15. Study Schedule

Week Starting Monday	Topic	Australian Tax Handbook Chapters	Workshop
1 17 July	1. Introduction to Taxation & Residency	1-3 26 48	Topic 1
2 24 July	2. Income	4 22	Topic 2
3 31 July	3. General Deductions	17 22	Topic 3
4 7 Aug	4. Specific Deductions	18-20	Topic 4 <i>Assignment 1 Due 9 Aug</i>
5 14 Aug	5. Capital Gains Tax	11-14	Topic 5
6 21 Aug	6. Partnerships	28	Topic 6
7 28 Aug	<i>Independent Study Week – no lecture or workshop</i>		<i>Assignment 2 Due 30 Aug</i>
4 Sept	<i>Mid semester break</i>		
8 11 Sept	7. Companies	27 60-62	Topic 7
9 18 Sept	8. Trusts & Minors	29 31	Topic 8
10 25 Sept	9. FBT & GST	60-61 63	Topic 9
11 2 Oct	<i>In-class Test</i>		
12 9 Oct	10. Audits & Anti-Avoidance	44-45 49-50	Topic 10
13 16 Oct	11. Overview		Revision
23 Oct	<i>Study Period Examination period 28 October – 14 November</i>		