Course Outline 2019
COMLAW 301: TAXATION (15 POINTS)
Semester 1 (1193)

Course prescription

An introduction to the Income Tax Act and the Goods and Services Tax Act, with emphasis on developing an understanding of these types of tax as relevant to taxpayers. Specific topics include the nature of income, taxation of common types of income (such as wages, shares and land), the deduction and prohibition of various types of expenses, tax accounting issues (cash or accrual basis), provisional tax, rebates, PAYE system, tax returns and an introduction to GST.

Course advice

Before enrolling in this course you must complete these courses:

*Prerequisites:* COMLAW 201 or COMLAW 203

Goals of the course

Taxation is an important part of government in New Zealand. In the absence of a fair and equitable system of taxation we cannot function as a democratic society. The revenue raised through taxation funds important infrastructure such as health and education. It also provides the foundation for the redistribution of wealth to seek to provide for those less fortunate. Taxation is also an important part of the business world. Without a knowledge of taxation law those seeking to conduct business in New Zealand will falter. Given its importance, the study of taxation law is compulsory for membership of the Chartered Accountants Australia and New Zealand (CAANZ) and this course has been specifically designed to conform to the CAANZ requirements of “Technical Topic Area 5: Taxation”. The course is also designed for those students intending to advance to the stage 3 taxation paper COMLAW 311 (for which it is a prerequisite). By the end of the course, students will have a strong foundation in the disciplinary knowledge and practice required to practice in the field of taxation or more generally in accounting and related fields. In particular, students will acquire problem recognition and problem identification skills necessary in the modern business environment as well as for the more advanced commercial law papers. In addition, students will acquire the skills to complete a basic Income Tax and GST return.
Learning outcomes (LO)

By the end of the course, it is expected that students will be able to:

<table>
<thead>
<tr>
<th>#</th>
<th>Learning outcome</th>
<th>Graduate profile capability*</th>
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</thead>
</table>
| LO1 | Critically evaluate the role of taxation in New Zealand society and identify and apply the core values a good tax must seek to achieve | 2. Critical thinking  
6. Social and environmental responsibilities |
| LO2 | Explain and apply the fundamental distinction between capital and income/revenue. | 1. Disciplinary knowledge and practice  
3. Solution seeking |
| LO3 | Identify the key criteria for determining if activities constitute a business and explain the consequential tax implications. | 3. Solution seeking  
4b. Communication (Written) |
| LO4 | Outline the legal principles that distinguish employees and independent contractors and illustrate the taxation and non-taxation consequences of such a classification | 1. Disciplinary knowledge and practice  
3. Solution seeking |
| LO5 | Critically evaluate the ad hoc taxation of tax capital receipts from the sale of personal property and land in New Zealand | 2. Critical thinking  
6. Social and environmental responsibilities |
| LO6 | Explain and apply the principles that determine the deductibility of an expense | 1. Disciplinary knowledge and practice  
3. Solution seeking |
| LO7 | Articulate the tax treatment of supplies under the GST regime | 1. Disciplinary knowledge and practice  
3. Solution seeking |

* See the graduate profile this course belongs to at the end of this course outline.
<table>
<thead>
<tr>
<th>Week</th>
<th>Starting date</th>
<th>Topic</th>
<th>Relevant learning resources/activities</th>
<th>Assessment due this week</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4 March</td>
<td>Researching Tax&lt;br&gt;Course introduction&lt;br&gt;Evaluating a Tax&lt;br&gt;FBT</td>
<td>Chapter 1 (NZ)&lt;br&gt;1.1-1.7 (F)&lt;br&gt;21.1-21.3, 21.9, 21.14 (NZ)&lt;br&gt;18.1 - 18.2 (NZ)</td>
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<tr>
<td>2</td>
<td>11 March</td>
<td>Nature of income&lt;br&gt;Core provisions</td>
<td>3.1 (NZ)&lt;br&gt;11.1-11.3 (F)</td>
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<tr>
<td>3</td>
<td>18 March</td>
<td>Capital/revenue distinction</td>
<td>3.2, 9.4.2 (NZ)&lt;br&gt;11.8, Chapter 13(F)</td>
<td></td>
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<tr>
<td>4</td>
<td>25 March</td>
<td>Business income</td>
<td>Chapter 4 (NZ)&lt;br&gt;10.3, 11.3, 11.5, 11.8 (F)</td>
<td>Tutorials start</td>
</tr>
<tr>
<td>5</td>
<td>1 April</td>
<td>Employment income</td>
<td>Chapter 6 (NZ)&lt;br&gt;11.4, chapter 17 (F)</td>
<td>Mid-semester test: Friday 5 April</td>
</tr>
<tr>
<td>6</td>
<td>8 April</td>
<td>Personal property&lt;br&gt;Interview with client</td>
<td>5.1-5.2 (NZ)&lt;br&gt;11.6-11.7 (F)</td>
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<td></td>
<td>Mid-semester break: 15 April – 28 April</td>
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<tr>
<td>7</td>
<td>29 April</td>
<td>Land transactions&lt;br&gt;CGT</td>
<td>5.3.1-5.3.6, 5.3.15 (NZ)&lt;br&gt;21.1-21.4 (F)</td>
<td></td>
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<tr>
<td>8</td>
<td>6 May</td>
<td>Deductions: Permitted</td>
<td>9.1-9.3 (NZ)&lt;br&gt;Chapter 12 (F)</td>
<td>Letter of advice Due: 10 May at 11.55 pm</td>
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<tr>
<td>9</td>
<td>13 May</td>
<td>Deductions: Limitations</td>
<td>9.4 (NZ)&lt;br&gt;Chapter 16 (F)</td>
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<tr>
<td>10</td>
<td>20 May</td>
<td>Repairs and Maintenance&lt;br&gt;Depreciation</td>
<td>9.6.14 (NZ)&lt;br&gt;Chapter 19 (F)&lt;br&gt;10.1—10.2 (NZ)&lt;br&gt;13.6 (F)</td>
<td></td>
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<tr>
<td>11</td>
<td>27 May</td>
<td>GST&lt;br&gt;Provisional Tax</td>
<td>Chapter 22 (NZ)&lt;br&gt;Chapter 8 (F)</td>
<td></td>
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<tr>
<td>12</td>
<td>3 June</td>
<td>Special topic</td>
<td>TBA</td>
<td></td>
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<tr>
<td>13</td>
<td>10 June</td>
<td>Workshop</td>
<td>TBA</td>
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*Reading materials, videos, (lab) tutorials, lectures/workshops, simulations, guest speakers, etc
Learning and teaching

There are 3 one-hour lectures per week, taught on the City Campus: Mondays 12-2pm and Friday 11-12, both in HSB 1/201N-346. The class size is approximately 250 students. The lectures are formally presented by staff active in research. Additional revision workshops will be provided during the study break before the exam, week 13. Starting in week 4, there are seven one hour long tutorials (up to 16 people per group). Tutorial questions will be provided on Canvas. Tutorials are held in an informal setting to give students the opportunity to discuss pre-advised questions with their peers and tutor. Model answers are not provided. **Students must come fully prepared for these tutorials and are expected to participate in class discussions. Marks will be awarded, at the tutor’s discretion, based on the quality of the individual student’s contribution and level of preparation for all seven tutorials.** There will be a 45 minute mid-semester test, letter of advice and a three-hour exam. Both the test and exam are open book.

Teaching staff

*Course Director & Lecturer*
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*Course Coordinator & Lecturer*
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*Guest Lecturers*
Xiaowei Ding (XD), Davis Law Library, ext. 85973, xiaowei.ding@auckland.ac.nz
Peter Scott (PS), Partner, KPMG Tax Department, pcscott@kpmg.co.nz
Rochelle Campbell, KPMG Tax Department, RochelleCampbell@kpmg.co.nz

Learning resources

Either of these two textbooks:


Plus: Any Student Tax Legislation for 2019
Assessment information

<table>
<thead>
<tr>
<th>Assessment task</th>
<th>Weight %</th>
<th>Group / individual</th>
<th>Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tutorials</td>
<td>7%</td>
<td>Individual</td>
<td>During class time</td>
</tr>
<tr>
<td>Mid-semester test</td>
<td>13%</td>
<td>Individual</td>
<td>Friday 5 April</td>
</tr>
<tr>
<td>Letter of advice</td>
<td>30%</td>
<td>Individual</td>
<td>Friday 10 May (via Turnitin)</td>
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<tr>
<td>Final exam</td>
<td>50%</td>
<td>Individual</td>
<td>Exam venue</td>
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Pass requirements

There is no plussage for this course. The test and exam are open-book. You must score a minimum of 50% overall in order to pass the course.

Description of assessment tasks

<table>
<thead>
<tr>
<th>Assessment task</th>
<th>Learning outcome to be assessed</th>
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<tbody>
<tr>
<td><strong>Tutorials</strong>: Beginning in Week 4, there will be 7 face-to-face tutorials, which are worth 7% of the total marks for the course. Marks are allocated for attendance and participation. Questions relating to the material taught in lectures are discussed in tutorials. Each student is expected to prepare their answers beforehand and to participate in the class discussion.</td>
<td>LO1 – LO6</td>
</tr>
<tr>
<td><strong>Test</strong>: The mid-semester test will be conducted on Friday 5 April and is worth 13% of the total marks for the course. It will comprise of problem based multiple choice questions. It will assess your understanding of the lecture material up to that date by testing your ability to identify the relevant tax law principle and apply it to a fact scenario.</td>
<td>LO1, LO3 and LO5</td>
</tr>
<tr>
<td><strong>Assignment</strong>: During the week 6 lectures you will interview your client. You will need to draft for your client a letter of advice. The consequent letter of advice will be submitted on 10 May and is worth 30% of the total marks for the course. In addition to assessing the way you apply and critique the relevant tax rules and principles, the assignment will also assess your academic writing skills and your ability to structure legal arguments. This reinforces the attention this course pays to developing writing skills in order to prepare students for success in their subsequent courses and real world experiences.</td>
<td>LO1, LO3, LO4 and LO5</td>
</tr>
<tr>
<td><strong>Final exam</strong>: The final exam will consist of problem questions. In addition to assessing the way you apply and critique legal rules and principles, the final exam will require the preparations of a tax return(s). This reinforces the attention this course pays to developing students’ practical skills to succeed in tax practice.</td>
<td>LO1, LO2 and LO3</td>
</tr>
</tbody>
</table>
Inclusive learning

Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the courses convenor/lecturer and/or tutor.

Academic integrity

The University of Auckland will not tolerate cheating, or assisting others to cheat, and views cheating in coursework as a serious academic offence. The work that a student submits for grading must be the student’s own work, reflecting his or her learning. Where work from other sources is used, it must be properly acknowledged and referenced. This requirement also applies to sources on the worldwide web. A student’s assessed work may be reviewed against electronic source material using computerised detection to provide an electronic version of their work for computerised review.

Student feedback

We regularly seek feedback from students in order to shape and improve this and all courses on the programme. This semester you will be invited to evaluate some of the staff teaching on the course. Your feedback helps us to fine-tune the course and improve teaching methodology. In addition, we will seek volunteers to serve as class representatives through whom student feedback can be provided throughout the semester.

In the event of an unexpected disruption

We undertake to maintain the continuity and standard of teaching and learning in all your courses throughout the year. If there are unexpected disruptions, the University has contingency plans to ensure that access to your course continues and your assessment is fair, and not compromised. Some adjustments may need to be made in emergencies. In the event of a disruption, the University and your course coordinators will make every effort to provide you with up to date information via Canvas and the University website.

Graduate profile

The following six themes represent the capabilities that the Business School seeks to foster in all of its graduates. The development of these capabilities does not come all at once, but rather is expected to build from year to year. Each course is not expected to contribute to all capabilities, but each course will have its own goals and learning outcomes that relate to the overall development of this profile.
## Graduate Profile

**Disciplinary knowledge and practice**  
Graduates will be able to demonstrate and apply a breadth of knowledge across disciplines, as well as specialist knowledge within one or more of them, while recognising the relevancy of this knowledge within a global context.

**Critical thinking**  
Graduates will be able to analyse and critique theory and practice to develop well-reasoned arguments.

**Solution seeking**  
Graduates will be able to identify and frame problems using analytical skills to create and evaluate innovative solutions.

**Communication and engagement**  
Graduates will be able to collaborate and communicate effectively in diverse contexts using multiple formats.

**Independence and integrity**  
Graduates will be able to respond professionally and ethically, demonstrating a capacity for independent thought and learning.

**Social and environmental responsibility**  
Graduates will recognise the significance of the principles underpinning the Treaty of Waitangi and consider their obligations in relation to sustainability, whilst displaying constructive approaches to diversity.

Note that if you are enrolled in a conjoint degree, you should also engage with the Graduate Profile for your other degree programme.