ACCY228
Tax Planning

Subject Program
Spring Session 2004

Lectures: Tuesday 13:30 – 14:30 in 40.124
Wednesday 17:30 – 18:30 in 25.G11

Lecturer: Mr Stephen Smith 19.1041
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Fax (02) 4221 4297

Consultation Times

Consultation times of the lecturer and tutors will be advised on the School’s Notice Board.

Subject Description

This subject will provide an overview of the procedures and theory of planning for the optimum level of taxation for an individual and/or a business at different stages in life. Optimal tax planning changes from the intense early years where income is rising and investments are made through to retirement where income is minimal and investments start to be realised.

Objectives:

Upon completion of this subject students will be able to:

- Critically evaluate alternative tax planning strategies for optimal personal/business returns
- Develop a suitable set of tax management strategies for individuals at various life stages
- Develop a suitable set of tax management strategies for business
- Demonstrate a knowledge of relevant taxation legislation including an awareness of pending changes
- Demonstrate a cognizance of the anti-avoidance provisions of the legislation

Prescribed texts

Refer to attached list.
Subject Requirements and Assessment

For the purposes of determining final grades for ACCY228, student performance will be evaluated on a composite mark, determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Essay</td>
<td>10</td>
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<tr>
<td>Case Study 1</td>
<td>10</td>
</tr>
<tr>
<td>Case Study 2</td>
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<tr>
<td>Final Exam</td>
<td>60</td>
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<tr>
<td>Tutorial Problems and Participation</td>
<td>10</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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NB. Marks may be scaled.

NB. To be awarded a Pass or higher grade in this subject, students must achieve at least 45% in the final exam.

When the composite mark is just below the mark required for a particular grade, it will be reviewed in the light of tutorial attendances and all work submitted (including any assignments or other work which has not been counted directly towards the composite mark).

Attendance

Attendance at lectures and tutorials is a compulsory requirement of this subject.

Solutions to tutorial problems are to be submitted to tutors as required. Your tutors will provide further details on what is required.

Your participation in weekly tutorial discussions will be taken into account when awarding your mark for tutorial work (see above).

Students will be able to seek help from tutors during consultation times. Tutors will indicate their availability at the first tutorial and their consultation times will be posted on their doors.

Access to Solutions

Each Monday copies of the solutions of the previous week’s tutorial problems will be placed in the Closed Reserve section of the library and in the Faculty Resource Room in Building 40. Students are advised to refer to the solutions provided.

Case Studies

The case studies will be issued in due course. They are practical questions involving the use of the tools that have been discussed in class.
Exams

These will include subject matter covered in lectures and/or tutorials. You should study from your notes and tutorial work, supplementing this material with explanations and further example problems from the textbook. The objective is to test your understanding of the material rather than mere memory.

Essay

You may select any one of the two essay topics below.

Length: 1,500 words
Due Date:

Topic A

Topic B

Mandatory essay presentation standards are as follows:

1. The essay is to be typed using a computer word processing package.
2. A duplicate of the essay is not required. You must ensure, however, that you have the capacity to provide a duplicate, should this be requested. Problems with computers, software, lost disks etc will not be accepted as excuses for late submissions.
3. The pages should be numbered.
4. At the front of the essay there must be a title page showing your name, your tutorial class, the date the essay is due and the topic as given.
5. A synopsis of no more than 150 words is to preface the essay.
6. There must be a margin of about 40mm to allow for written comments.
7. All essays should include a list of references in academic form. All sourced material, including direct quotations, should be appropriately acknowledged.

The essay will be penalised for failure to meet any of these requirements.

Any essays submitted after the due date will incur a penalty (one mark per day) which may reduce the mark to zero, unless special exemption has been granted.

Students not submitting the essay by the last day of classes, in the absence of accepted documented reasons, will fail the subject.

Essays will be returned during tutorial classes.

Assignment Cover Sheet
I have read and adopted the University of Wollongong Acknowledgement Practice Code as set out in the Undergraduate Calendar.
Signed ___________________________ Date ______________

Supplementary Final Examinations

See the statement of School policy, copies of which are available in the Faculty of Commerce Resource Room in Building 40.

Cheating and Plagiarism

Cases of cheating or plagiarism will be severely penalised and reported to the Head of Department. The following paragraph from the University statement on final examinations indicates the seriousness of such offences:

Academic Misconduct

Students are reminded that the University regards academic misconduct as a very serious matter.

Students found guilty of academic misconduct may be excluded from the University. Because of the circumstances in individual cases the exclusion can range from one session to permanent exclusion from the University.

The following are some of the actions which have resulted in students being found guilty of academic misconduct in recent years.

- use of unauthorised aids in an examination;
- submitting work for assessment knowing it to be the work of another person;
- improperly obtaining prior knowledge of an examination paper and using that knowledge in the examination;
- failing to acknowledge the source of material in an assignment.

SUBJECT REQUIREMENTS, ILLNESS AND MISADVENTURE

Section 10 of the Bachelor Degree regulations covers subject requirements and assessment. Note in particular 10(7) which says:

Should performance in a subject be affected by illness or other cause beyond the control of a candidate, the circumstances should be reported to the Vice-Principal (Administration) in writing, supported by evidence, normally no later than seven days following the illness or other cause. The circumstances shall be referred to the Head and may be taken into account when assessment of the candidate in that subject is made.

Students who are in the unfortunate position referred to in the above paragraph should note the following:

(i) The formal letter requesting special consideration must be submitted to the University administration
Disability

If a student with a disability requires reasonable accommodation in this subject, they are strongly advised to discuss the issues early in the session with one of the following people: the Disability Liaison Officer, Faculty Disability Advisor and/or the subject co-ordinator.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Tutorial Questions</th>
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<tbody>
<tr>
<td>7/20/04</td>
<td>Principles of Assessable Income</td>
<td>Kirby Q 1 - 27, 342 - 345</td>
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<tr>
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<td>DM Discussion Problem 2.230</td>
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<td>DM Practice Question 7.90</td>
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<td>DM Practice Question 8.75</td>
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<td>8/3/04</td>
<td>Lump Sum Eligible Termination Payments (ETP)</td>
<td>Kirby Q 169 - 196</td>
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<td></td>
<td>&amp; Non-Government Pension Income</td>
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<td>8/10/04</td>
<td>Assessability of Capital Gains</td>
<td>Kirby Q 148 - 168</td>
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<td>DM Practice Question 4.90</td>
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<tr>
<td>8/17/04</td>
<td>Principles of Allowable Deductions</td>
<td>Kirby Q 105 - 122, 92 - 104</td>
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<td>DM Discussion Problem 5.115</td>
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<td>DM Practice Question 6.75</td>
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<tr>
<td>8/24/04</td>
<td>Depreciation (Decline in Value and Building Write-Off Allowance)</td>
<td>Kirby Q 61 - 91</td>
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<tr>
<td>8/31/04</td>
<td>Calculations of Taxable Income &amp; Tax Payable/Refund Due for an Individual Taxpayer (Tax Assessed, Offsets/Rebates, Medicare Levy &amp; Surcharge, Tax Credits)</td>
<td>Kirby Q 28 - 32, 33 - 37, 126 - 127, 128 - 140</td>
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<td>DM Practice Question 9.50</td>
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<td>Tuesday</td>
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| 9/7/04  | 9/8/04    | 8    | Taxation of Partnerships & Companies | Kirby Q 210 - 226, 227 - 254  
|         |           |      |              | DM Practice Question 10.100            
|         |           |      |              | DM Practice Question 12.75            |
| 9/14/04 | 9/15/04   | 9    | Taxation of Trusts & Minors         | Kirby Q 281 - 302                
|         |           |      |              | DM Practice Question 11.105          |
| 9/21/04 | 9/22/04   | 10   | Taxation of Superannuation Contributions & Superannuation Funds | Kirby Q 366 - 376 |
| 10/5/04 | 10/6/04   | 11   | Tax Administration – Tax File Numbers, Australian Business Numbers, Taxpayers’ Rights & Obligations, Penalties | BV Chap 2, M/C 1 - 12, Discussion 13 - 22, Pr  
|         |           |      |              | DM Practice Question 15.60            
|         |           |      |              | Kirby Q 177 - 192, 193 - 195, 196 - 201, 202 - |
| 10/12/04| 10/13/04  | 12   | Tax Administration – PAYG; HECS, Child Support, Superannuation Guarantee | BV Chap 3, M/C 1 - 16, Discussion 17 - 24, Pr  
|         |           |      |              | BV Chap 7, M/C 1 - 10, Discussion 11 - 15, Pr  
|         |           |      |              | BV Chap 8, M/C 1 - 12, Discussion 13 - 17, Pr  
|         |           |      |              | BV Chap 6, M/C 1 - 10, Discussion 11 - 20, Pr  |
| 10/19/04| 10/20/04  | 13   | Fringe Benefits Tax, State Taxation | Kirby Q 218 - 236                
|         |           |      |              | DM Practice Question 16.30            
|         |           |      |              | BV Chap 5, M/C 1 - 12, Discussion 13 - 17, Pr |

**  
Tutorials to commence on Tuesday 27/7/04 and Friday 30/7/04

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Tutorial questions selected will be advised by handout at each lecture.

Kirby = A A Kirby  
DM = David Morrison  
BV = Bowers & Vinton
Prescribed texts


Morrison, D, “Taxation Law in Principle”, Thomson ATP, 2004

Kirby, A A, “Tax Questions & Answers (2 Vols.), Kirby, 2004


Some References