

School of Accounting and Commercial Law

ACCY 305 ADVANCED DOMESTIC TAXATION

Trimester One 2007

COURSE OUTLINE

Contact Details

Lecturers

Professor Kevin Holmes RH 618 Phone: 463 5968 Email: kevin.holmes@vuw.ac.nz
Ms Lisa Marriott RH 630 Phone: 463 6107 Email: lisa.marriott@vuw.ac.nz

Course Coordinator

Kevin Holmes

Course Administrator

Marina Dobrovolskaya RH 708 Phone: 463 5775 Email: marina.dobrovolskaya@vuw.ac.nz

Lecture Times and Theatre

Lecture times are:

Tuesday, Wednesday and Thursday
1:40pm – 2:30pm

All lectures are held in RH LT1 at the Pipitea Campus.

In addition, there are 8 tutorials of 50 minutes each. Tutorial times and locations are listed on *Blackboard*. See also under *Tutorials* on page 4.

Attendance at Lectures

You are strongly recommended to attend *all* lectures. Much information, which is examinable, is conveyed by the *spoken word only* and is not posted on *Blackboard* or otherwise distributed!

Course Objectives

The objective of the course is to provide a general introduction to taxation in New Zealand and to examine the impact of taxation on business decision making. The course does not aim to offer a detailed working knowledge of all facets of the tax system. Due to time constraints,

the course is oriented towards business taxation. There is no coverage of international taxation, which is addressed in ACCY 316.

You will be successful in this course if, at the end of it, you are able to:

- understand and explain the basic principles and policies of income tax law in New Zealand;
- assess and provide reasoned arguments concerning whether particular transactions give rise to assessable income or to deductible expenditure or loss; and
- understand how transactions can be arranged legally to minimise a tax liability.

While not directly taught in this course, you have the opportunity to improve your writing and oral expression skills, which are critical when dealing with matters of a legal nature such as taxation.

Course Content

A general lecture outline, which lists the topics covered in the course, is set out on pages 9 and 10 of this Course Outline.

Required Textbooks and Course Materials

The prescribed texts and supplementary materials required for this course are:

1. Alley, et. al., *New Zealand Taxation 2007: Principles, Cases and Questions*, Thomson Brookers, Wellington, 2007 (“NZT”).
2. *New Zealand Taxation 2007 Legislation Handbook*, Thomson Brookers, Wellington, 2007.
3. *ACCY 305 Course Materials Book 2007*, which can be purchased from the bookshop on the ground floor of Rutherford House (“CMB”).
4. Handouts distributed in lectures and/or posted on *Blackboard*.

The Thomson Brookers publications listed under (1) and (2) above may be purchased as a set at a discount.

The *New Zealand Taxation 2007 Legislation Handbook* may be taken into the Terms Test and Final Examination. It is strongly recommended that you do so. If you want to take this *Legislation Handbook* into the Terms Test and Final Examination, you **must not** write in it other than *only emphasis marks by underlining and/or highlighting* parts of the text.

With respect to using the *Legislation Handbook* in the Terms Test and Final Examination, you should note that:

1. it will be checked at the beginning of the Terms Test and Final Examination.
2. if it contains notes of any kind, you will **not** be allowed to use it. Remember that only emphasis marks by a highlighter pen or by underlining are permitted.
3. the use of tabs, whether “Post-it” notes/stickers or any other kind of tab, is prohibited.
4. if you are unable to take the *Legislation Handbook* into the Terms Test or Final Examination because your copy does not meet the above conditions or you forgot to bring it to the test or exam, you **cannot** borrow a replacement copy from the examiners or share a copy with another student.

Please ensure that you take the *New Zealand Taxation 2007 Legislation Handbook* to lectures.

Materials and Equipment

Most course materials can be downloaded from the online *Blackboard* system (<http://blackboard.vuw.ac.nz>) or found in the Course Materials Book. Lecturers do not hold spare copies of any course materials in their offices. If you are having any trouble obtaining course materials, please contact Marina Dobrovolskaya in RH 708, who is available Monday to Friday from 8.30am to 5.00pm.

Electronic calculators and non-electronic foreign language dictionaries may be used in the Terms Test and Final Examination. Calculators with alphanumeric keyboards and programming functions, or which store or display anything other than Arabic numbers, are **not** permitted. Calculators **must** be battery powered and silent in operation. If you are in doubt, check with the Course Coordinator.

Assessment Requirements

	<i>Percentage of final grade</i>	<i>Date</i>
Terms Test (2 hours)	40%	6:00pm, Thursday, 26 April 2007
Final Examination (3 hours)	60%	During mid-year examination period (8-27 June 2007) – actual date and time to be advised by the Student and Academic Services Office

In addition to obtaining a weighted average mark of 50% or more over the Terms Test and Final Examination, you must also meet the mandatory course requirements (see below). *If you obtain a weighted-average mark of 50% or more but fail to meet the mandatory requirements, you will **FAIL** the course and be given a 'K' grade.*

Note that all of the assessment in ACCY 305 is based on your own work. There is no group assessment of any kind and no group work can be submitted for assessment: see also under *Academic Integrity and Plagiarism* on pages 6 and 7.

If your performance is affected by sickness or other personal difficulties (e.g. bereavement of a close relative), you must contact the Course Coordinator as soon as possible. You must not delay this until the end of the course or when final results are posted.

Mandatory Course Requirements

To pass the course you **must**:

- (i) obtain a weighted average mark of at least 50% over the Terms Test and Final Examination; *and*
- (ii) hand in at least **4** *satisfactorily completed* assignments on time; *and*
- (iii) attend, and *actively participate* in, at least **6** tutorials.

“Satisfactorily completed” means your own serious attempt at all questions. “Actively participate” means proper preparation beforehand *and* participation in discussions and

answering questions in each tutorial. You should not leave a tutorial without having made an oral contribution.

Assignments

The course includes 6 assignments, *all of which you are expected to complete*. You must *satisfactorily complete 4* of the 6: see *Mandatory Course Requirements* on page 3. The assignments are an integral part of the course and the Terms Test and Final Examination are set assuming that you have completed all of the assignments.

Assignment questions are posted on *Blackboard* at least 2 weeks before the relevant assignment due date. Suggested solutions to the assignments are also posted on *Blackboard* (but after the due date!).

Assignments **must** be handed in before **5.00pm** on the due date shown below:

<i>Assignment</i>	<i>Due Date</i>	<i>Lecturer Responsible</i>
1	Thursday, 22 March 2007	Kevin Holmes
2	Thursday, 29 March 2007	Lisa Marriott
3	Thursday, 5 April 2007	Lisa Marriott
	<i>Mid-trimester break</i>	
4	Thursday, 10 May 2007	Lisa Marriott
5	Thursday, 24 May 2007	Kevin Holmes
6	Thursday, 31 May 2007	Kevin Holmes

Assignments are to be placed in the ACCY 305 box on the Mezzanine Floor of Rutherford House by the above times. Please ensure that your name, student number *and tutorial number* are clearly marked on your assignments and that all pages are stapled together. Please use the labels on page 12 of this Course Outline when submitting your assignments.

In the absence of genuine and credible reasons, late assignments will *not* be accepted. In no circumstances can assignments be accepted for grading after the suggested solutions have posted on *Blackboard* or otherwise released. It is not possible for lecturers to set special assignment questions to accommodate you if you miss assignment deadlines. If you have concerns about a late assignment, you should contact the Course Coordinator.

Tutorials

The course contains 8 tutorials, *all of which you are expected to attend*. You must *attend and actively participate in 6*: see under *Mandatory Course Requirements* on page 3.

Tutorials are conducted during the weeks shown below:

<i>Tutorial</i>	<i>Week Beginning</i>	<i>Lecturer Responsible</i>
1	12 March	Kevin Holmes
2	19 March	Kevin Holmes
3	26 March	Lisa Marriott
4	2 April	Lisa Marriott

Mid- trimester break

5	7 May	Lisa Marriott
6	14 May	Lisa Marriott
7	21 May	Kevin Holmes
8	28 May	Kevin Holmes

Tutorial questions are posted on *Blackboard* at least 1 week before the relevant tutorial. Written answers to tutorial questions are not posted on *Blackboard* or otherwise distributed.

Tutorials start in the third week of the course, i.e. from Monday, 12 March. Tutorial sign-up is on-line (<https://signups.vuw.ac.nz>) during the first week of the trimester. The exact time that the sign-up starts (and any access denial times) will be given in the first week's lectures. Instructions for signing up are on page 11. Places in tutorials are allocated on a "first-come, first-served" basis.

Tutorial class lists will be posted on *Blackboard*.

Communication of Additional Information

This Course Outline is available, along with other information and materials relating to the course, on *Blackboard*. You are expected to have access to *Blackboard* to participate in this course. All announcements and notices are posted in the *Announcements* section of *Blackboard*. If you have problems accessing *Blackboard*, you should contact Student Computing Services or the Administrative Assistant, Marina Dobrovolskaya. Where applicable, copies of slides presented in lectures will generally be made available on *Blackboard*.

Additional information is also conveyed to you in the lectures.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices EA125a to EA131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examination related information during the examination period.

To check for opening hours call the Student and Academic Services Office on 463 5376.

General University Policies and Statutes

You should familiarise yourself with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications for which you are studying: see the Victoria University Calendar available in hard copy or under *About Victoria* on the VUW home page at <http://www.vuw.ac.nz/>.

Student and Staff Conduct

The Statute on Student Conduct, together with the Policy on Staff Conduct, ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy website at <http://www.vuw.ac.nz/policy/studentconduct>. The Policy on Staff Conduct can be found on the VUW website at <http://www.vuw.ac.nz/policy/staffconduct>.

Academic Grievances

If you have any academic problems with your course, you should talk to the tutor or lecturer concerned; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean. VUWSA Education Coordinators are available to assist in this process. If, after trying the above channels, you are still dissatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy, which is published on the VUW website at <http://www.vuw.ac.nz/policy/academicgrievances>.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other students or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is, however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. If you are found guilty of plagiarism you will be subject to disciplinary procedures under the Statute on Student

Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- cancellation of your mark for an assessment or a fail grade for the course
- suspension from the course or the University.

Note also that if you are found guilty of plagiarism, your name is entered on the University's *Academic Misconduct Register*.

Find out more about plagiarism, and how to avoid it, on the University's website at <http://www.vuw.ac.nz/home/studying/plagiarism.html>

Students with Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring), which may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone 463 6070, email: disability@vuw.ac.nz. The name of the School's Disability Liaison Person is in its prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email: student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and Faculty delegates. The Education Office (telephone 463 6983 or 463 6984, email: education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Maori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Maori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Rooms 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@vuw.ac.nz

Fa'afoi Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafoi.Seiuli@vuw.ac.nz

**ACCY 305 ADVANCED DOMESTIC TAXATION
LECTURE OUTLINE**

Lecture times: Tuesday, Wednesday and Thursday
1:40pm – 2:30pm
Lecture location: RH LT1

<i>Week No.</i>	<i>Week Beginning</i>	<i>Topic</i>	<i>Readings</i>	<i>Lecturer</i>
1	26 February	Introduction Structure of the Income tax Act 2004 Core Provisions	NZT, Chps 1, 12, 13 Key Facts for Taxpayers (in CMB) “The New Zealand Tax System Since 1981”, Tax Review 2001, Final Report, Chapter 1 (in CMB) “Frameworks”, Tax Review 2001, Issues Paper, Chapter 1 (in CMB)	Kevin Holmes
2	5 March	Income Common law concepts Business income	NZT, Chps 2, 3 Holmes, Chp. 5 “Development of the Legal Concept of Taxable Income” (in CMB) Holmes, Chp. 6 “Business Income” (in CMB)	Kevin Holmes
3	12 March	Income (cont.) Employment and FBT Personal property sales TUTORIAL 1	NZT, Chps 4, 5, 18	Lisa Marriott
4	19 March	Income (cont.) Land sales Investment Other sources of income TUTORIAL 2 ASSIGNMENT 1 DUE 5.00pm THURSDAY 22 MARCH	NZT, Chps 4, 6 Holmes, Chp. 9 “Capital Gains” (in CMB)	Lisa Marriott
5	26 March	Deductions General deduction rule Prohibited deductions Specific deduction rules TUTORIAL 3 ASSIGNMENT 2 DUE 5.00pm THURSDAY 29 MARCH	NZT, Chp 8	Lisa Marriott

6	2 April	Timing of Income and Expenditure Derivation of income Accrual expenditure Trading stock Depreciation <hr/> TUTORIAL 4 ASSIGNMENT 3 DUE. 5.00pm THURSDAY 5 APRIL <hr/>	NZT, Chps 9, 10	Lisa Marriott
Easter and Mid-trimester Break (9-22 April)				
7	23 April	Financial Arrangements <hr/> ANZAC DAY WEDNESDAY 25 APRIL No Lectures or Tutorials TERMS TEST 6.00pm THURSDAY 26 APRIL <hr/>	NZT, Chp 7	Lisa Marriott
8	30 April	Partnerships Trusts <hr/>	NZT, Chp 15	Lisa Marriott
9	7 May	Company taxation Dividends Imputation <hr/> TUTORIAL 5 ASSIGNMENT 4 DUE 5.00pm THURSDAY 10 MAY <hr/>	NZT, Chp. 14	Kevin Holmes
10	14 May	Company taxation (cont.) Qualifying companies Losses <hr/> TUTORIAL 6 <hr/>	NZT, Chp. 11	Kevin Holmes
11	21 May	Tax Planning and Tax Avoidance <hr/> TUTORIAL 7 ASSIGNMENT 5 DUE 5.00pm THURSDAY 24 MAY <hr/>	NZT, Chps 21, 22	Kevin Holmes
12	28 May	Goods and Services Tax <hr/> TUTORIAL 8 ASSIGNMENT 6 DUE 5.00pm THURSDAY 31 MAY <hr/>	NZT, Chp. 19	Kevin Holmes

FINAL EXAMINATION (3 hours)
 during Examination period, 8-27 June (actual date to be advised)

This is a general lecture outline only. Some topics may be addressed in a different week from that shown here.

Detailed Tutorial Signup Instructions

To sign up for your ACCY 305 tutorial you need to follow the instructions below.
Read these instructions carefully and take your time to follow the procedure step-by-step.

1. Go to the signup website at: <https://signups.vuw.ac.nz>
2. Enter your SCS username and password to log into the system.
3. The *Signup Home* page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on **ACCY 305**.
4. The ACCY 305 course page opens. It shows the course contact and brief details of the signup instructions. A **KEY** is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorials.
6. If there are spaces left in a particular tutorial, you will see the **ENROL** button next to it. Click this button to enrol yourself in that tutorial.
7. If there are no more spaces left in a particular tutorial, you will see the **JOIN WAITLIST** button, if a waitlist is available. Click this button to join the waitlist for that tutorial. (Note that if you do this, you will be removed from any other waitlist that you may have joined earlier). If somebody withdraws from this tutorial, you will automatically be moved up the waitlist or, if you are already at the top of it, you will be enrolled in the tutorial. An email will be sent to you if you are enrolled in the tutorial from the waitlist.
8. Note that you can only join a waitlist if you have *already enrolled* in one of the other available tutorials. In other words, you must first enrol in one tutorial and then you can choose to join the waitlist for another preferred tutorial.
9. You can choose to **WITHDRAW** from a tutorial you have already enrolled in. You can also choose to **CANCEL WAITLIST** to remove yourself from a particular waitlist.
10. A **FULL** button indicates that all seats and the waitlist are full for that tutorial. You must choose another tutorial.
11. More details on the various buttons are available in the **KEY** section at the bottom of the signup page.
12. You should enrol in only **ONE** tutorial and may join the waitlist for only **ONE** other tutorial.
13. This online signup system is available around the clock over the internet. You can log in and sign up (or change your signup) anytime **before the closing date** of the tutorial signup. ***You will NOT be able to sign up or change your choice after the tutorial signups have closed.*** Any requests after this date are manually handled by the Course Administrator. You must submit a written application stating why you were not able to sign up on time using the online system, along with other relevant documentation, such as medical certificate, etc.
14. You can view/confirm details of the tutorials that you are enrolled in and waitlisted for, such as the day, time and location, by clicking on **My Signups** on the left hand menu.
15. Click on **Support** on the left hand menu if you are having problems.

Finally, **you must always attend the tutorials that you have signed up for**. If you attend a different tutorial, your attendance may not be recorded.

For administrative efficiency, please use the labels provided on this page when submitting your assignments. The labels have been pre-numbered for Assignments 1 to 6. For each assignment, cut out and complete the correct assignment label and place your **stapled and labelled** assignment in the ACCY 305 assignment box on the Mezzanine Floor, Rutherford House.

<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p style="text-align: center;">ACCY 305 Assignment No 6 Due on Thursday, 31 May 2007 by 5.00 pm</p>	<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p style="text-align: center;">ACCY 305 Assignment No 5 Due on Thursday, 24 May 2007 by 5.00 pm</p>
<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p style="text-align: center;">ACCY 305 Assignment No 4 Due on Thursday, 10 May 2007 by 5.00 pm</p>	<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p style="text-align: center;">ACCY 305 Assignment No 3 Due on Thursday, 5 April 2007 by 5.00 pm</p>
<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p style="text-align: center;">ACCY 305 Assignment No 2 Due on Thursday, 29 March 2007 by 5.00 pm</p>	<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p style="text-align: center;">ACCY 305 Assignment No 1 Due on Thursday, 22 March 2007 by 5.00 pm</p>

