

School of Accounting and Commercial Law

TAXN 302 ADVANCED INDIRECT TAXATION

Trimester One 2011

COURSE INFORMATION AND OUTLINE

Names and Contact Details

Course Coordinator &

Lecturer: Associate Professor David White RH703 463-5705
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Lecturer: Professor John Prebble GB105 463-6311
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Office hours: TBA

Course Administrator: Lee Vassiliadis RH708 463-5383
Email: Lee.Vassiliadis@vuw.ac.nz
(Office hours: Monday-Friday 8.30am-5pm)
Office is closed: 10.30-10.45am and 3.30-3.45pm.)

Please email all questions to the course administrator in the first instance, identifying in the heading of the email that it is a TAXN 302 inquiry to prevent confusion with emails about other TAXN courses being taught in the same trimester. Where the administrator cannot answer the question, she will bring the e-mail to the attention of the appropriate lecturer to ensure a speedy response. Students should not copy the lecturer in to messages to the course administrator.

Trimester Dates

Teaching Period: Monday 28th February - Friday 3rd June 2011

Study Period: Monday 6th June – Thursday 9th June 2011

Examination Period: Friday 10th June – Saturday 2nd July (inclusive)

Withdrawal from Courses

Your fees will be refunded if you withdraw from this course on or before **11 March 2011**.

The last date for withdrawal from this course is **14 May 2011**. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

Monday & Thursday: 1540-1630

Venue: LT3, Government Buildings, Pipitea Campus

In addition, there are **eight** tutorials of 50 minutes each. Tutorial times and locations are listed on *Blackboard*. See additional information under *Tutorials* in this Course Information and Outline document.

Course Content

Details of the lecture programme are provided in a table at the end of this document. Some topics may be addressed in a different week from that shown in the table. Further information will be provided by lecturers.

Course Learning Objectives

By the end of this course, students should be able to:

- a) Explain the basic principles and policies of GST in New Zealand;
- b) Discuss how the critical concepts of GST work in theory and in practice;
- c) Apply GST law and practice to general commercial events;
- d) Evaluate current GST issues and critique the relative strengths and weaknesses of alternative policy responses to the issues.

Course Delivery

IMPORTANT NOTICE

Tuition in this course is provided by lectures and tutorials, which form an integral whole. The course assessment is based on the assumption that students have attended all lectures and tutorials. Students who do not attend all lectures and tutorials will be at a disadvantage.

No suggested solutions to tutorial questions are provided on *Blackboard* or elsewhere. Therefore, course members need to attend the tutorials to ensure that they get the full benefit of the discussion and debate on the subject material.

Expected Workload

Course members should expect to spend, on average, 150 hours studying over the whole course, which is broken down as follows:

- 24 hours in scheduled lectures;
- 8 hours of tutorial classes;
- 36 hours for background reading outside classes;
- 46 hours for tutorial preparation;
- 36 hours preparing for the test and examination.

Group Work

All of the assessment in this course is based on a course member's 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* and *Use of Turnitin* on page 5.

Readings

The following textbook and materials are required for this course:

1. Alley et al., *New Zealand Taxation 2011: Principles, Cases and Questions*, Thomson Reuters, Wellington, 2011. (Students may use the 2010 edition but should be aware of differences made by the GST rate change to 15%.) Chapter 19 on Goods and Services Tax is authored by David White.
2. *New Zealand Taxation 2011 Legislation Handbook*, Thomson Reuters, Wellington, 2011. Alternatively, course members can use the *CCH New Zealand Income Tax Legislation for Students 2011*, which also includes extracts from the GST Act 1985. (The 2010 edition of these texts will suffice for this year's course.)
3. Handouts distributed in lectures and/or posted on *Blackboard*.

Note: The above texts will also be used in TAXN 301 (Advanced Domestic Taxation) in the first trimester and in TAXN 303 (International Tax) in the second trimester. The Thomson Reuters publications ((1) and (2) above) may be purchased as a set at a discount. The 2011 editions of these Thomson Reuters books are expected to be available in Vicbooks on 18 March 2011.

Course members are permitted to take the tax legislation into the mid-trimester test and final examination, and are strongly recommended to do so. If they want to use their legislation in the test and final examination, they **must not** write in it other than making emphasis marks by underlining and/or highlighting parts of the text.

With respect to using this legislation in the test and final examination, please note:

1. The tax legislation will be checked at the beginning of the test and examination.
2. Legislation containing notes of any kind will **not** be allowed to be used. Only emphasis marks by a highlighter pen or by underlining are permitted.
3. The indexing of the legislation by tabs whether by use of "Post-it" notes or any other means is prohibited.
4. If course members do not have tax legislation to use in the test or examination because their text did not meet the above conditions or they forgot to bring their legislation, they will **not** be able to borrow a replacement copy from the examiners or to share a copy with another student.

The following books are recommended for this course and are all on closed reserve in the Commerce Library:

1. Alastair McKenzie, *GST - A Practical Guide*, 8th ed. (Auckland: CCH, 2008).
2. Richard Krever and David White, eds, *GST in Retrospect and Prospect* (Wellington: Brookers Ltd, 2007). Call mark is KUQ3147 A67 G895 2007.
3. Alan Schenk and Oliver Oldman, *Value Added Tax: A Comparative Approach* (New York: Cambridge University Press, 2007). Call mark is K4573 S324 V 2007.

See also the Inland Revenue publication, *GST Guide IR375* (October 2010), available at <http://www.ird.govt.nz/forms-guides/number/forms-300-399/ir375-guide-gstguide.html>.

Materials and Equipment

Most course materials can be downloaded online from *Blackboard*. The course lecturers do not hold spare copies of any course materials in their offices. If you are having any trouble obtaining course materials, please contact the Course Administrator, who is available Monday to Friday between 8.30am-5.00pm.

Electronic calculators and non-electronic foreign language dictionaries may be used in both the test and final examination. Calculators must be battery powered and silent in operation. Calculators with alphanumeric keyboards and programming functions are not permitted. Mobile phones are prohibited. No electronic device may connect to the Internet. If you are in doubt, check with the Course Administrator.

Assessment Requirements

To pass this course, a course member must obtain a weighted average mark of 50% or more from the two pieces of assessment in the course:

	<i>Percentage of final grade</i>	<i>Date</i>
Test (75 minutes)	35%	5.30pm Tuesday, 12 April (to be confirmed)
Examination (2 hours)	65%	During the mid-year examination period – actual date and time to be advised later in April.

Assessment of a course member's ability in the test and final examination takes a variety of forms to cater for different aptitudes of different students. The assessment methods may include multiple choice questions, short-answer questions, calculation questions, and essay questions.

In addition to obtaining a weighted-average mark of 50% or more across the test and final examination, course members must also meet the *Mandatory Course Requirements* (see below). *If a course member obtains a weighted-average mark of 50% or more but fails to meet the Mandatory Course Requirements, they will **fail** the course and be given a 'K' grade.*

If a course member's performance is affected by sickness or other personal difficulties (e.g. bereavement of a close relative), they should contact the Course Administrator as soon as possible. They must not delay this until the end of the course or when final results are posted. In case of sickness, it is essential that course members see a registered medical practitioner as soon as possible while they are sick and obtain a medical certificate that certifies that in the opinion of the doctor they are sick and the extent of disability suffered by them during the period of sickness.

A course member's assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect a course member's grade for the course.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the university at any time during the formal examination period. The final examination for this course will be scheduled at some time during the period from **Friday 10th June – Saturday 2nd July 2011**.

Mandatory Course Requirements

In addition to the *Assessment Requirements* above, a course member **must attend** at least 5 of the **8 tutorials** to pass the course.

Tutorials

The course contains 8 tutorials, all of which course members are strongly advised to attend and actively participate in. The lecturers recommend that students fully prepare answers to the tutorial questions beforehand so that they can knowledgeably contribute to the tutorial discussions.

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 commence in the third week of the course, i.e. from Monday, 14 March. Tutorial sign-up is on-line through *Blackboard* during the second week of the course. Signup will begin at 9.30am on Monday 7 March and end at 5 pm on Wednesday 9 March. Tutorial lists will be posted on *Blackboard* on Friday 11 March 2011. Places in tutorials are allocated on a “first-come, first-served” basis. The instructions for signing up are at the end of this Course Information and Outline Document.

Tutorials take place in the following weeks:

	<i>Week beginning</i>
Tutorial 1	14 March 2011
Tutorial 2	21 March 2011
Tutorial 3	28 March 2011
Tutorial 4	11 April 2011
Tutorial 5	9 May 2011
Tutorial 6	16 May 2011
Tutorial 7	23 May 2011
Tutorial 8	30 May 2011

Class Representative

A class representative will be elected in the first class, and that person’s name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

All notices concerning TAXN 302 will be posted on Blackboard.

Use of Turnitin (if applicable)

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the university for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

Find key dates, explanations of grades and other useful information at www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at <http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy, except qualification statutes, which are available via the Calendar webpage at <http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

TAXN 302 COURSE PROGRAMME

Week	Beginning	Topics and basic readings	Lecturer
1	28 February	<u>Introduction to GST & VAT tax systems</u> : Schenk & Oldman, chaps 1-3	DW
2	7 March	<u>New Zealand GST policy and law</u> : Dickson & White; White & Trombitas ¶1 & 2; Schenk & Oldman, chap 3, ¶IV; <i>NZ Taxation</i> ¶19.1; Dickson in Krever & White 45-64; Blanchard in Krever and White 91-101; McLay in Krever and White 103-107 <u>Taxable activity & registration</u> : <i>NZ Taxation</i> ¶19.2 & 19.3; White & Trombitas ¶3.1-3.4, 3.6, 4.1, 4.4-4.6, 8.2; Blanchard in Krever & White 99-101; Schenk & Oldman, chap 4 <u>Supplies</u> : <i>NZ Taxation</i> ¶19.4-19.10 generally; White & Trombitas ¶5, 6, 8.1; Blanchard in Krever & White 92-99; Schenk & Oldman, chaps 5 & 9 <u>Taxable periods and returns</u> : <i>NZ Taxation</i> ¶19.12-19.14; White & Trombitas ¶3.8, 7.1, 8.1, 8.2, 8.3.2, and 8.5; Schenk & Oldman, chap 8 <u>Input tax credits</u> : <i>NZ Taxation</i> ¶19.1 & 19.12.3; White & Trombitas ¶3.7, 4.6, 6.5, 6.8.2 & 7; Schenk & Oldman, chap 6	DW
3	14 March		DW
4	21 March		DW
5	28 March		DW
6	4 April		DW
7	11 April		DW
Tuesday 12 April: Mid-trimester test at 5.30pm (75 minutes) to be confirmed			
16 April-1 May: Mid-trimester break (Easter Holiday and ANZAC Day)			
8	2 May	<u>Land transactions</u> : White ('Revenue Reach Entails Revenue Risk: GST and Real Property in New Zealand'); <i>NZ Taxation</i> ¶19.3.4, 19.5.4, 19.9.5 & 19.10.3; White & Trombitas ¶6.8; Harley in Krever & White 213-241; Schenk & Oldman, chap 13 <u>International transactions</u> : <i>NZ Taxation</i> ¶19.2.1, 19.6.2-19.6.3, 19.6.6-19.6.8 & 19.11; White & Trombitas ¶3.1, 3.5-3.6, 4.2-4.3, 5, 6.4, 8.1.1; Millar in Krever & White 317-347; Sussman in Krever & White 349-368; Schenk & Oldman, chap 7 <u>GST anti-avoidance provisions</u> : <i>NZ Taxation</i> ¶19.14.6; White & Trombitas ¶8.7 & 8.8 <u>Revision</u>	DW
9	9 May		DW
10	16 May		DW
11	23 May		JP
12	30 May		DW

Staff: DW = Associate Professor David White; JP = Professor John Prebble

Full references to *NZ Taxation* 2011, Krever & White, and Schenk & Oldman are on page 3.

Ian Dickson and David White, 'Value-Added Tax and Excises: Commentary', in *Dimensions of Tax Design: The Mirrlees Review*, ed. Institute for Fiscal Studies and Sir James Mirrlees (Oxford: Oxford University Press, 2010), 387-406, <<http://www.ifs.org.uk/mirrleesreview/dimensions/ch4.pdf>>.

David White and Eugen Trombitas, 'The New Zealand GST System' in Thomas Ecker, Michael Lang and Ine Lejeune (eds), *The Future of Indirect Taxation: Recent Trends in VAT and GST Systems Around the World – A Global Comparison* (London: Kluwer Law International, 2011), forthcoming.

David White, 'Revenue Reach Entails Revenue Risk: GST and Real Property in New Zealand', in Christine Peacock (ed) *GST in Australia: Looking Forward from the First Decade*, (Sydney: Thomson Reuters, 2011), forthcoming.

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

Tutorial Signup Instructions

1. Go to the signup website at: <https://signups.vuw.ac.nz>
2. Enter your SCS username and password to login 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 the course you wish to sign up for.
4. The selected course page opens. It will show 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 tutorial sessions.
6. If there are spaces left in a particular session, you will see the “ENROL” button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the “JOIN WAITLIST” button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only “JOIN WAITLIST” if you have already enrolled in one of the other available sessions. In other words, “ENROL” in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to “WITHDRAW” from a session you have already enrolled for. You can also choose to “CANCEL WAITLIST” to remove yourself from a particular waitlist.
10. A “FULL” button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
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 session and may “JOIN WAITLIST” for only ONE other tutorial session.
13. You can login and signup (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.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as 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.

This online signup system is available around the clock over the internet. Any requests after 5pm on Wednesday 9 March 2011 will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

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