

School of Accounting and Commercial Law

TAXN 302 ADVANCED INDIRECT TAXATION

Trimester 1, 2014

COURSE OUTLINE

Names and Contact Details

*Course Coordinator &
Lecturer:*

Associate Professor David White RH703 463-5705
Email: David.White@vuw.ac.nz
Office hours: Tuesday 9.30am-10.30am
Wednesday 3.30pm-4.30pm

Course Administrator:

Lucy May RH708 463-5775
Email: lucy.may@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 lecturer to ensure a speedy response. Students should not copy the lecturer in to messages to the course administrator.

All email communications from students to VUW staff are expected to be professional and courteous in nature using your name as registered by the University. Emails that are anonymous or written using pseudonyms or false names will not be answered.

Trimester Dates

Teaching Period: Monday 3 March – Friday 6 June
Study Period: Monday 9 June – Thursday 12 June
Examination Period: Friday 13 June – Wednesday 2 July (inclusive)

Withdrawal from Courses

Your fees will be refunded if you withdraw from this course on or before Friday 14 March 2014.

The standard last date for withdrawal from this course is Friday 16 May 2014. 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

Tuesday & Thursday: 2.40pm – 3.30pm

Venue: Government Buildings, GB LT2, Pipitea Campus

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, you need to attend the tutorials to ensure that you get the full benefit of the discussion and debate on the subject material.

There are **9** tutorials of 50 minutes each. Tutorial times and locations are listed on the online *Blackboard* system (<http://blackboard.vuw.ac.nz>). See also under *Tutorials* below.

Group Work

Working in group work is an important component of this course. The content and expectation of group work for tutorials is explained under *Tutorials* below.

Expected Workload

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

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

Prescription

An in-depth examination of the principles and practice of the New Zealand system of indirect taxation.

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 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 the lecturer.

Tutorials

There are nine tutorial classes scheduled in this course, all of which you are strongly advised to attend and actively participate in. You need to fully prepare answers to the tutorial questions beforehand so that you can knowledgeably contribute to the tutorial discussions.

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

Tutorials are scheduled in the following weeks:

| <i>Tutorial</i> | <i>Week beginning</i> |
|---------------------------------------|----------------------------------|
| Tutorial 1 Mandatory to attend | 10 March |
| Tutorial 2 | 17 March |
| Tutorial 3 | 31 March |
| Tutorial 4 | 7 April |
| Test | Tuesday 15 April in class |
| Tutorial 5 | 5 May |
| Tutorial 6 | 12 May |
| Tutorial 7 | 19 May |
| Tutorial 8 | 26 May |
| Tutorial 9 | 3 June |

Tutorial signup is online (<https://signups.vuw.ac.nz>) and will commence at 10 am on Tuesday 4 March and close at 5 pm Wednesday 5 March. Tutorial lists will be posted on Blackboard by the end of Friday 7 March. Detailed instructions on how to signup are found at the end of this Course Outline. Places in tutorials are allocated on a “first come, first served” basis. **Please note that due to the number of enrolments in this course only a limited number of tutorials will be offered. Please select your time carefully to avoid clashes with other commitments.**

1. Tutorial presentations

Tutorials require you to actively participate and contribute; otherwise, you will not meet the Mandatory Course Requirements (see below).

At your first tutorial, tutors will outline their expectations of your presentations and your bullet-point summary solutions (see below). You will also have an opportunity to exchange email addresses, telephone numbers and other contact details with other students in your tutorial for the purpose of planning your presentations. The success of your tutorial presentations depends on you getting together with the other student(s) in your group before the presentation to plan the content and how the presentation will be run. Hence, it is important that the contact details you give your co-presenter are current and accurate.

Tutorials 2 to 9 are conducted as follows: Generally 2 students (depending on the size of the tutorial) will be required to lead the discussion on the topic nominated for the tutorial. Over 8 tutorials each student will have led one tutorial.

For the tutorial in which you are giving a presentation, you must prepare in electronic form your presentation points (in MS Word, Powerpoint, PDF, or an equivalent format) and e-mail them to David White (david.white@vuw.ac.nz) **before 5pm** on the day before your presentation. Your tutorial presentation contributes to 10% of your final mark for the course. In determining the mark for your presentation, your tutor will take into account:

- The accuracy of the materials and answers you present;
- The quality of your presentation (as a group); *and*
- Your ability to lead and promote discussion in your tutorial.

If you are unhappy with your mark, you must first discuss, and attempt to resolve, the matter with your tutor before the following tutorial.

If you are unable to attend your designated tutorial in a particular week, you can attend another tutorial on a one-off basis provided there is spare seating in the room. Students cannot switch tutorials on a regular basis.

2. Tutorial participation and bullet-point summaries

For *each* tutorial in which you are *not* giving a presentation, you must prepare in electronic form a bullet-point summary solution to the tutorial questions and send it to the assignment folder on *Blackboard before 5pm* on the Friday prior to the week of the tutorial. Late summaries will *not* be accepted. You should submit your summary as either a MS Word or .pdf file - please do not paste your answers into the dialogue box on *Blackboard* as there are IT compatibility issues that can make it difficult for your tutor to subsequently view it.

Your bullet point summaries must be written in comprehensible and legible English. *They must also be your own work - group submissions are not permitted.* Bullet point summaries that contain evidence of plagiarism will be subject to the University's disciplinary procedures.

To assist your participation in the tutorials, you should bring to the tutorial a hard copy of your bullet-point summary solution for use at the tutorial. This will also enable you to make corrections to your bullet point summaries.

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

Your tutorial participation and bullet-point summary solutions are part of the *Mandatory Course Requirements* (see below).

Readings

The following textbook, legislation and materials are required for this course:

1. Alley et al., *New Zealand Taxation 2014: Principles, Cases and Questions*, Thomson Reuters, Wellington, 2014. (The 2013 edition of this text will suffice for this year's course.)
2. *New Zealand Taxation 2014 Legislation Handbook*, Thomson Reuters, Wellington, 2014. Alternatively, students can use the *CCH New Zealand Income Tax Legislation for Students 2014*, which also includes extracts from the GST Act 1985. (The 2013 edition of these texts will suffice for this year's course.)
3. Handouts distributed in lectures and/or posted on *Blackboard*.

Note: The above textbook and legislation will also be used in TAXN 301 (Advanced Domestic Taxation) and TAXN 303 (International Taxation) in this trimester. The Thomson Reuters publications ((1) and (2) above) may be purchased as a set at a discount.

You are permitted to take the tax legislation listed in dot point 2 above into the mid-trimester test and final examination, and are strongly recommended to do so. If you want to use this tax legislation in the test and final examination, you **must not** write in it other than making emphasis marks by underlining and/or highlighting parts of the text.

With respect to using this tax legislation listed in dot point 2 above in the test and final examination, please note:

1. The 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 you do not have tax legislation to use in the test or examination because your legislation does not meet the above conditions or you forgot to bring your legislation, you 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 available on 3-day loan in the Commerce Library:

1. Alastair McKenzie, *GST - A Practical Guide*, 9th ed. (Auckland: CCH, 2012). Call mark is KUQ3147 G655 2012.
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* (September 2012), 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 lecturer does not hold spare copies of any course materials in his office. 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

From Trimester 1, 2014, a revised Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

To pass this course, you must obtain a weighted average mark of 50% or more from the 3 pieces of assessment in the course stated below and obtain a mark of 50% or higher in either the mid-trimester test or the final exam:

| | <i>Percentage of final grade</i> | <i>Date</i> |
|------------------------|----------------------------------|---|
| Tutorial presentations | 10% | |
| Test (50 minutes) | 25% | Tuesday 15 April 2014 in class |
| Examination (2 hours) | 65% | During the mid-year examination period – actual date and time to be advised later in April. |

Assessment of your ability in the test and final examination may take 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 3 pieces of assessment, 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 Course Requirements, you will **fail** the course and be given a 'K' grade.*

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

Use of Turnitin

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. A copy of submitted materials will be retained 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.

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 following period:

Friday 13 June – Wednesday 2 July (inclusive).

Mandatory Course Requirements

In addition to obtaining an overall course mark of 50% or better, students must

- Undertake a tutorial presentation on the assigned date;
- Satisfactorily complete and submit **at least 5** out of the **7** bullet-point summaries for the weeks in which you are not presenting at the tutorial;
- Attend and satisfactorily participate in **at least 7** of the **9** tutorials;
- Obtain a mark of at least 50% in either the Mid-Trimester Test or Final Exam.

Note: These mandatory requirements for bullet point summary submission and tutorial attendance have been set to make allowance for students who are affected by illness or unexpected emergencies during the trimester. They should NOT be interpreted as the minimum number necessary or recommended to ensure a pass in the course.

If you cannot complete an assignment or sit a test or examination, refer to www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

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

This Course Outline, along with other information and materials relating to the course, is available 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 Course Administrator.

Student feedback

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php

Link to general information

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

Note to Students

Your 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 academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

TAXN 302 LECTURE PROGRAMME

| Week | Beginning | Topics and basic readings | Lecturer |
|---|-----------|--|----------|
| 1 | 3 March | <u>Introduction to GST & VAT tax systems</u> : Schenk & Oldman, chaps 1-3 | DW |
| 2 | 10 March | <u>New Zealand GST policy and law</u> : Dickson & White; White & Trombitas ¶1 & 2; Schenk & Oldman, chap 3, ¶IV; <i>NZ Taxation</i> ¶22.1; 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> ¶22.2 & 22.3; 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> ¶22.4-22.10 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> ¶22.12-22.14; 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> ¶22.1 & 22.12.3; White & Trombitas ¶3.7, 4.6, 6.5, 6.8.2 & 7; Schenk & Oldman, chap 6 | DW |
| 3 | 17 March | | DW |
| 4 | 24 March | | DW |
| 5 | 31 March | | DW |
| 6 | 7 April | | DW |
| 7 | 14 April | | DW |
| Tuesday 15 April: Mid-trimester test in class (50 minutes) | | | |
| 18 April-4 May: Mid-trimester break | | | |
| 8 | 5 May | <u>Land transactions</u> : White ('Revenue Reach Entails Revenue Risk: GST and Real Property in New Zealand'); <i>NZ Taxation</i> ¶22.3.4, 22.5.4, 22.6.5, 22.9.5 & 22.10.3; White & Trombitas ¶6.8; Harley in Krever & White 213-241; Schenk & Oldman, chap 13 <u>International transactions</u> : <i>NZ Taxation</i> ¶22.2.1, 22.6.2-22.6.3, 22.6.6-22.6.9 & 22.11; 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> ¶22.14.6; White & Trombitas ¶8.7 & 8.8 <u>Revision</u> | DW |
| 9 | 12 May | | DW |
| 10 | 19 May | | DW |
| 11 | 26 May | | DW |
| | | | DW |
| 12 | 2 June | | DW |

Staff: DW = Associate Professor David White

For full references to *NZ Taxation* 2014, Krever & White, and Schenk & Oldman see Readings (above).

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), 355-397.

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), 225-239.

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 a time to be nominated 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 should attend the tutorial sessions that you have signed up for.**