



BUSINESS SCHOOL  
Te Kura Pakihi

## COURSE OUTLINE

# ***ACTP 312*** ***Taxation Practice***

Semester Two, 2020

This course outline contains information specific to this paper. For more general information common to your papers, please refer to the COMMERCE\_UG\_2018: Commerce Undergraduate Students site on Blackboard.

## Paper Description and Aims

This paper covers elements of the direct and indirect taxation of individuals and other entities in New Zealand. The content of the course has been designed to meet the requirement of Chartered Accountants Australia and New Zealand ("CAANZ") that an applicant has sat and passed a tax paper as part of their degree or post-graduate education, providing them with the assumed knowledge CAANZ requires.

## Learning Outcomes

Upon successful completion of this paper, you should be able to:

- Research and analyse key tax concepts
- Evaluate tax case law
- Explain how New Zealand taxes residents on income earned outside New Zealand
- Explain how New Zealand taxes non-residents on income derived from New Zealand sources
- Explain and contrast the way New Zealand taxes different entities
- Apply tax concepts to situations
- Calculate taxable income and the taxation liability arising on taxable income
- Explain the basic principles and policies of Goods and Services Tax ("GST") in New Zealand
- Discuss how the critical concepts of GST work in theory and in practice
- Apply GST law and practice to general commercial situations

## Teaching Staff

### Paper Coordinator & Lecturer

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### Tutor

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Office hours: As we are not on campus we do not maintain office hours. However, we endeavour to ensure we are available for your questions both before and after lectures and tutorials. Your questions can also be submitted to us via email.

You should contact the Accountancy and Finance Department with any administrative enquiries about the paper, e.g. tutorial changes.

## Class Representatives

Class representatives are an important means of communication between students and staff. Contact details for your student class representatives can be found on the Blackboard page for this paper.

## Course Delivery

Lecture Times:                      Tuesday      16:00 to 16:50 QUAD 4  
   Wednesday    16:00 to 16:50 TGo8

Tutorial Times:                      Monday      16:00 to 16:50 CASTA  
   Monday      17:00 to 17:50 CASTA  
   Monday      18:00 to 18:50 CASTA  
  
   Tuesday      17:00 to 17:50 CASTA  
   Tuesday      18:00 to 18:50 CASTA

Terms Test Review:                Thursday, 24 September **TBC**

Students must attend:

- Two 50-minute lectures each week
- Five 50-minute tutorials over the course of the semester

Refer to the lecture times above and the Course Calendar at the end of this document for the timing of lectures and tutorials.

### Lectures

Lectures will present key conceptual material. It is expected you will supplement the information presented in lectures through undertaking the assigned recommended readings for each lecture. Refer to the Course Calendar for details of the topics we will discuss in each lecture.

The Course Calendar also includes details of the recommended reading for each lecture. The recommended readings are only a guide as to what you should read. Students may need to undertake additional reading to ensure they obtain a full understanding of the relevant topic.

We will post lecture PowerPoint slides on Blackboard before we deliver each lecture. We will endeavour to post the slides for a lecture on Blackboard by midday on the Monday of the week in which we will deliver the lecture. However, this is not always possible. We recommend you bring a copy of the PowerPoint slides with you to each lecture.

### Tutorials

Tutorials will start in the week beginning 20 July 2020.

Your allocated tutorial stream will be available on E-vision. ***Please make any request for a change in relation to a tutorial stream to the Accountancy and Finance Department.***

Tutorials are interactive and collaborative sessions that provide students with an opportunity to cement their understanding of concepts presented at lectures. Our tutors are experienced taxation consultants. Please take advantage of their practical knowledge and come to tutorials prepared to ask questions about the tutorial questions or any matter covered in lectures which you may not be clear about.

### **Terms Test Review**

This is a facilitated discussion session for students to attend and work through issues they may have or questions they wish to ask following the Terms Test. The lecturer and/or tutor will facilitate this session. It will provide an opportunity to review the Terms Test questions that proved problematic and discuss any areas of difficulty or confusion.

Students will be able to ask questions in advance of this session either in person (before or after lectures) or by email.

## **Course Learning Resources**

The required text is:

- New Zealand Taxation 2020, Principles, Cases and Questions (Thomson Reuters)

The recommended text is:

- Foundations of New Zealand Taxation Law 2020 (Wolters Kluwer)

Other optional texts are:

- New Zealand Master Tax Guide 2020 (Wolters Kluwer)
- New Zealand Taxation 2020, Legislation Handbook (Thomson Reuters)

Other reading material may be found on the paper's Blackboard page under Course Documents > Reading Materials.

## **Blackboard**

<https://blackboard.otago.ac.nz/> provides you with access to course materials, class notices, and resources. Blackboard is used to email the whole class, so it is important that you check your student email and *Blackboard* regularly.

Further information about student support, learning support and information, academic integrity and other University resources for students is available on the COMMERCE\_UG\_2019: Commerce Undergraduate Students site on Blackboard.

## Student Webmail

We will use your student email account to email you information relevant to your programme. To forward your University email address to an email address that you use regularly:

1. Log into your StudentMail account (<http://www.otago.ac.nz/smlanding/>) using your student username and password.
2. Click the **Cog** button (top right corner).
3. Click on **Mail** under **Your App Settings**.
4. Under **Accounts** on left hand side, select **Forwarding**.
5. Under the Forwarding heading, type in the email address you want your email to be forwarded to. You can also choose to have a copy of these emails kept on your StudentMail account, so please check the box if you would like this.
6. Click the **Save** button.

## Assessment

All material presented is examinable (except where stated otherwise) by assignments and the final examination. Assessment information such as due dates and times, content, guidelines and so on will be discussed at lectures and, where appropriate, detailed on Blackboard.

*Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.*

Assessment	% final grade	Notes
Assessment Assignments	10%	Best 10 of 11 Assignments counted (1% each)
Tutorials	20%	Best 4 of 5 Tutorials counted (5% each)
Term Test (50 minutes)	20%	
Final Exam (3 hours)	50%	

### Assessment Assignments

These will start the first week of lectures with the first assignment due 5 pm on Monday, 13 July.

The Assessment Assignments will consist of five multi-choice questions with one mark awarded per correct question. Students will complete and submit the Assessment Assignments on Blackboard.

These are quick fire assignments to test a student's knowledge and/or understanding throughout the course. These assignments will relate to material covered in that week's lectures. ***If you do not complete the assignment by the due date and time, the marks will not form part of your final grade.***

There will be a total of 11 Assessment Assignments. The best 10 out of the 11 Assessment Assignments will count toward your final grade, with each Assessment Assignment contributing a maximum of one mark to your final grade. Overall the Assessment Assignments will contribute a maximum of 10 marks toward your final grade.

***Assessment Assignments are due weekly by 5 pm on Monday.***

We will post the Assessment Assignments on Blackboard by 12 pm on the Tuesday before they are due. Please consult the Course Calendar for specific due dates and times.

***WE WILL NOT ACCEPT OR MARK LATE ASSESSMENT ASSIGNMENTS.***

### **Tutorials**

We will post Tutorials to Blackboard in two parts. Each Tutorial will comprise multi-choice questions (Part A – 20 marks) and short answer questions (Part B – 5 marks).

Students will complete and submit Part A on Blackboard, which will mark the questions and make grades available after the due date.

Students will complete Part B on Blackboard. ***You must then print a copy of your answer before submitting it and bringing it with you to the Tutorial.***

You will discuss the questions, both multi-choice and short answer, during the Tutorial session.

***IF A STUDENT DOES NOT ATTEND A TUTORIAL SESSION, THE WRITTEN ANSWER PART CANNOT BE MARKED, AND THE STUDENT WILL RECEIVE NO MARK FOR PART B OF THE TUTORIAL. MARKS WILL STILL BE AWARDED FOR PART A, IF COMPLETED ON TIME.***

The tutor will not enter any discussions regarding the reason for a student's lack of attendance. The Part B will not be marked other than at Tutorials. A student that does not attend a Tutorial can still receive marks for Part A of the Tutorial Assignment but will not receive a mark for Part B.

There will be five Tutorials during the semester. The best four marks out of the five Tutorials will count towards your final grade, with each Tutorial contributing a maximum of five marks to your final grade. Overall Tutorials will contribute a maximum of 20 marks toward your final grade.

**Tutorial Assignments are due by 5 pm on the Friday of the week before Tutorials.**

We will post Tutorial Assignments to Blackboard by 12 pm on the Friday preceding the Friday on which they are due. Please consult the Course Calendar for specific due dates, times and topics covered.

***WE WILL NOT ACCEPT OR MARK LATE TUTORIALS.***

### **Terms Test**

This will take place in Lecture 18 on Wednesday, 9 September. This will comprise 30 multi-choice questions covering the course content up to Lecture 16.

Lecture 17 will be a pre-Terms Test revision session.

### **Final Exam**

The Final Exam for the course will comprise multi-choice questions and short written answer questions. ***All material covered in the course be examinable in the Final Exam.***

## Course Requirements

### **Terms Requirements**

There are no terms requirements in relation to the grade for the Terms Test or the Final Exam. However, a student that does not sit the Terms Test for any reason may need to sit a make-up test.

A student will pass ACTP312 if they receive an overall grade of 50% or more.

### **Assignment Submission Procedure**

Students are to complete and submit Assessment Assignments and Tutorial Assignments on Blackboard by the due time and day.

***Students MUST bring a copy of Part B of the Tutorial Assignment to their tutorial to receive a grade for that part of the Tutorial Assignment.***

### **Late Assignments**

We will not accept or mark late Assessment Assignments and Tutorial Assignments.

Assessment Assignments are due weekly by 5 pm on Monday.

NB: some weeks there will be no Assessment Assignment – please consult the Course Calendar for specific due dates.

Tutorial Assignments are due by 5 pm on the Friday before Tutorials.

These are fortnightly except for the fortnight the includes the mid-Semester break. Please consult the Course Calendar for specific due dates and times.

## **Referencing Style and Style Guide**

For this paper, the referencing style is *Legal Citation*.

Style guides are available on the University Library website:

<http://www.otago.ac.nz/library/quicklinks/citation/index.html>



## Course Calendar

This calendar may change. We will announce changes at lectures and on Blackboard.

Lecture/ Tutorial Number	Date	Week	Topic	Readings
L1	7 July	28	Course Overview Introduction to Tax System - Key Concepts	TR Chap 1
L2	8 July	28	Assessable income - Types of Receipts - Windfalls - Income v Capital	TR Para 3.1, 3.2, 3.4, 3.5, 3.6, 4.2
<b>A1</b>	<b>13 July</b>	<b>29</b>	<b>Assessment Assignment 1</b>	<b>DUE 5 pm</b>
L3	14 July	29	Residence - Individuals - Companies  Source of income	TR Para 3.3. 20.2
L4	15 July	29	Double Tax Treaties - Potential for double tax - Residence - Source - Right to tax	TR Para 20.8
<b>TA 1</b>	<b>17 July</b>	<b>29</b>	<b>Tutorial Assignment 1</b> - Residence - Source - DTAs	<b>DUE 5 pm</b>
<b>A2</b>	<b>20 July</b>	<b>30</b>	<b>Assessment Assignment 2</b>	<b>DUE 5 pm</b>
T1	20 - 21 July	30	Tutorial 1	
L5	21 July	30	Derivation of Income Annual Gross Income	<b>MTG</b> Para 5-040, 5-043, 5-075, 5-077, 5-078, 5-087

L6	22 July	30	Allowable Deductions - General Permission - General Limitations	TR Para 9.1, 9.2, 9.4
<b>A3</b>	<b>27 July</b>	<b>31</b>	<b>Assessment Assignment 3</b>	<b>DUE 5 pm</b>
L7	28 July	31	Specific Deductions Annual Allowable Deductions Net Income Taxable Income	TR Para 9.2.9, 9.5.3, 9.6.9
L8	29 July	31	Depreciation - Depreciable property - Depreciation loss - Depreciation recovery income - Associated person restrictions	TR Para 10.1, 10.2, 10.6
<b>TA2</b>	<b>31 July</b>	<b>31</b>	<b>Tutorial Assignment 2</b> - Assessable income - Capital v Revenue - Derivation of Income	<b>DUE 5 pm</b>
<b>A4</b>	<b>3 August</b>	<b>32</b>	<b>Assessment Assignment 4</b>	<b>DUE 5 pm</b>
T2	3 - 4 August	32	Tutorial 2	
L9	4 August	32	Financial Arrangements - Cash basis person - Spreading - Base price adjustment	TR Para 8.1 to 8.5, 8.6.2, 8.8, 8.9
L10	5 August	32	Foreign Equity Investments - CFCs - FIFs	TR Para 20.4.1 to 20.4.2, 20.5, 20.6
<b>A5</b>	<b>10 August</b>	<b>33</b>	<b>Assessment Assignment 5</b>	<b>DUE 5 pm</b>
L11	11 August	33	Residential Land - Bright-line tests - Deduction ring-fence Other Land Tax Rules	TR Para 5.3

L12	12 August	33	Taxation of Individuals <ul style="list-style-type: none"> <li>- Employees</li> <li>- Contractors</li> <li>- Sole traders</li> <li>- PAYE &amp; provisional tax</li> </ul>	<b>TR</b> Para 6.2.1, 6.2.2, 6.3, 6.4.2, 9.4.5, 13.2.2,
<b>TA3</b>	<b>14 August</b>	<b>33</b>	<b>Tutorial Assignment 3</b> <ul style="list-style-type: none"> <li>- Deductions</li> <li>- Taxable income</li> </ul>	<b>DUE 5 pm</b>
<b>A6</b>	<b>17 August</b>	<b>34</b>	<b>Assessment Assignment 6</b>	<b>DUE 5 pm</b>
T3	17 - 18 August	34	Tutorial 3	
L13	18 August	34	Fringe Benefit Tax <ul style="list-style-type: none"> <li>- Motor vehicles</li> <li>- Low interest loans</li> <li>- Discounted goods &amp; services</li> </ul>	<b>TR</b> Para 21.1 to 21.4, 21.8, 21.10 to 21.13
L14	19 August	34	Taxation of Trusts <ul style="list-style-type: none"> <li>- Trustee income</li> <li>- Beneficiary income</li> <li>- Trust classification</li> <li>- Distributions</li> </ul>	<b>TR</b> Para 16.4.1 to 16.4.8
	<b>24 August to 28 August</b>	<b>35</b>	<b>Mid-Semester Break</b>	
L15	1 September	36	Taxation of standard companies <ul style="list-style-type: none"> <li>- Tax calculation</li> <li>- Dividends</li> <li>- Imputation credits</li> </ul>	<b>TR</b> Para 15.1 to 15.4
L16	2 September	36	Company tax losses <ul style="list-style-type: none"> <li>- Continuity</li> <li>- Commonality</li> <li>- Use of losses</li> </ul>	<b>TR</b> Para 12.3, 12.5, 12.6
<b>A7</b>	<b>7 September</b>	<b>37</b>	<b>Assessment Assignment 7</b>	<b>DUE 5 pm</b>
L17	8 September	37	Revision for Term Exam	Course to date
<b>L18</b>	<b>9 September</b>	<b>37</b>	<b>TERM EXAM</b>	

<b>TA4</b>	<b>11 September</b>	<b>37</b>	<b>Tutorial Assignment 4</b> - Individuals - Companies - Trusts	<b>DUE 5 pm</b>
<b>A8</b>	<b>14 September</b>	<b>38</b>	<b>Assessment Assignment 8</b>	<b>DUE 5 pm</b>
T4	14 – 15 September	38	Tutorial 4	
L19	15 September	38	Taxation of Partnerships and Limited Partnerships - Look-through treatment - Disposal - Dissolution	<b>TR</b> Para 16.2, 16.3
L20	16 September	38	Taxation of Look-Through Companies - Requirements - Look-through treatment - Disposal - Revocation/wind up	<b>TR</b> Para 15.5
<b>A9</b>	<b>21 September</b>	<b>39</b>	<b>Assessment Assignment 9</b>	<b>DUE 5 pm</b>
L21	22 September	39	Tax Administration - Provisional Tax - Use of Money Interest - Penalties	<b>TR</b> Para 14.4, 24.3
L22	23 September	39	Associated persons - Individuals - Trusts - Companies - Partnerships - Look-through companies - Tripartite test	<b>TR</b> Para 5.3.3, 10.6.9, 15.3.8, 21.3.5
RL	24 September	39	Terms Test Review	
<b>TA5</b>	<b>25 September</b>	<b>39</b>	<b>Tutorial Assignment 5</b> - Partnerships - Look-through Companies - Taxable income	<b>DUE 5 pm</b>

<b>A10</b>	<b>28 September</b>	<b>40</b>	<b>Assessment Assignment 10</b>	<b>DUE 5 pm</b>
T5	28-29 September	40	Tutorial 5	
L23	29 September	40	GST Fundamentals I - Types of Supply - Goods and Services - Registration - Taxable Activity - Value of Supply	<b>TR</b> Para 22.1 to 22.5. 22.9
L24	30 September	40	GST Fundamentals II - Taxable periods - Accounting Basis - Time of Supply	<b>TR</b> Para 22.7, 22.12.1, 22.12.2, 12.12.7, 22.13
<b>A11</b>	<b>5 October</b>	<b>41</b>	<b>Assessment Assignment 11</b>	<b>DUE 5 pm</b>
L25	6 October	41	GST – Output Tax - Returning GST - Zero-rated supplies - Supplies of Land	<b>TR</b> Para 22.6, 22.12.3
L26	7 October	41	GST – Input Tax - Claiming GST - Apportionments	<b>TR</b> Para 22.12.3 to 12.12.6

**Key**

L# = Lecture number

A# = Assignment number

TA# = Tutorial Assignment number

T# = Tutorial number

RL = Review Lecture – Terms Test

TR = Thomson Reuters New Zealand Taxation 2020, Principles, Cases and

Questions

MTG = Master Tax Guide 2020

**Lectures End Friday 9 October 2020**  
**University Exam Period 14 October – 6 November 2020**

## Disclaimer

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.