

**MODULE : TAXATION**

**Theme :** Finance  
**Assessment Weighting:** 20% Coursework  
80% Examination

**INTRODUCTION**

This module is specifically designed to provide students with a sound knowledge and understanding of the dynamics of a particular taxation system and its operation. In particular it presents a wide coverage of the most up-to-date issues of taxation.

**AIMS**

To ensure students have a sound knowledge and understanding of a particular taxation system and its operation  
To provide students with the opportunity to explore the impact of all major taxes on the transaction of individuals, partners and companies  
To ensure students fully appreciate the importance of taxation in personal and corporate financial planning and decision making  
To enable students apply their knowledge and understanding to practical situations involving computation, explanation, discussion and advise in relation to taxation  
To provide students with the opportunity to minimise tax liabilities by making full use of the available options, relief and exemption

**LEARNING OUTCOMES**

On successful completion of the module students will be able to:

Describe the administrative procedures of the Revenue Commissioners particularly the self-assessment system.  
Prepare an income tax competition to include charges, allowances and tax credits for married persons, single and separate assessment.  
List and demonstrate a broad knowledge of the major legal cases in relation to capital and revenue expenditure, allowable expenses and plant and machinery.  
Explain the basis of assessment for various types of income for individuals and partnerships.  
Define plant, machinery and industrial buildings for capital allowances purposes and prepare capital allowances computations.  
Describe the various incentives available under the urban and rural renewal schemes.  
Describe the main features of the Business Expansion Scheme, Feed Capital Relief and Film Investment.  
Explain the tax treatment of losses from both an individual and a company perspective.

Prepare a detailed Case I/II computation for an individual and a company  
 Identify exemptions and relief's for ex-gratia lump sum payments and calculate same.  
 Define and discuss, domicile, domicile of origin, domicile of choice, residence and ordinary residence.  
 Explain and calculate the foreign earnings deductions.  
 Explain the scope of capital gains tax.  
 Prepare a CGT computation to include shares part disposals and enhancement expenditure.  
 Explain and calculate rollover, retirement, paper for paper relief's and prudential private residence relief.  
 Prepare a basic corporation tax computation.  
 Explain and compute manufacturing relief and small company relief.  
 List the consequences of being defined as a close company and calculate the tax consequences of same.  
 Define, explain and compute the various types of group relief.  
 Explain and calculate double tax relief.  
 Describe the scope of VAT.  
 Prepare a basic VAT computation.  
 Outline the main features and rates of VAT.  
 Explain the main features of VAT on property.  
 Compare alternative remuneration packages of individuals and directors.

## **SYLLABUS**

Outline of Tax Administration, Self Assessment System, Error or Mistake Claim, Payment of Income Tax, Tax return Filing Dates, Surcharge and Penalties, Structure of the Revenue, Revenue Powers, Revenue Audit, Taxpayers Charter of Rights, Appeals.

Outline of Income Tax, Classification of Income, Basis of Assessment, Charges on Income, Covenants, Protected Interest, Maintenance Payments, Patent Royalties and Retirement Annuities, Tax Credits, Married Persons, Single Joint and Separate Assessment, Year of Marriage, Death of Taxpayer.

Trade/Professional Income, Badges of Trade, Capital V Revenue Expenditure to include main case law, Expenses incurred for purpose of Trade to include main case law, Computation of Assessable Profit, Basis of Assessment, Commencement, Cessation, Change of Ownership/Death, Partnerships Subcontractors, Change of Accounting Date.

Taxation of Investment Income, Case III, Case IV, and Schedule to include Income Taxed under the Relevant Case and Basis of Assessment, Case V, Income Taxable under Case V, Basis of Assessment, Allowable Deductions, Premiums on Leases, Section 23 Relief.

Capital Allowances, Definition of Work and Industrial main case law, Calculation of Main Capital Buildings Allowances, Capital Allowances and Loss Forwards, Disposal of Assets, Commencement/Cessation Basis.

Urban and Rural Renewal Schemes, General Overview, Main Relief's available, Capital Allowances, Double Rent Deduction, Section 23 Relief and Allowance to owner occupiers on construction/refurbishment of residential premises, park and ride facilities.

Schedules, Classification of Income, Qualifying Expenses, Employed V Self-Employed, Benefits in Kind, Termination Payments, Page System, Employee Share Schemes, PRSI and Levies.

Exemptions and Relief's, Low Income Exemption, Investment in Forestry, Patent Increase, An Post Savings Schemes, Business Expansion Schemes, Permanent Health Insurance, Pensions Seed Capital Relief, Film Investment.

Income Tax Losses, Case and Trade Losses, Excess Capital Allowances, Excess Charges, Terminal Losses, Case and Losses

Residence and Domicile, Meaning of Term Domicile, Domicile of Origin of Choice, Residence, Ordinary Residence, Remittance Basis, Split Year Treatment, Foreign Earnings Deduction.

Capital Gains Tax, Scope of Capital Gains Tax, Chargeable Assets and Persons, Irish Specified Assets, Disposals land, Enhancement Expenditure, Losses, married Persons, Tax Payment Date, Withholding Tax and Return Filing, Company Capital Gains, Connected Persons.

Capital Gains Tax, Exempt Disposals, rollover Relief, Replacement of Business Assets, Rollover Relief Shareholders, Retirement Relief, Disposal of a Business to a company, Insurance Proceeds, Principal Private Residence, Shares General Rights Issues, Bonus Issues.

Corporation Tax, Company Residence, Scope of Computation of Profits, Accounting Manufacturing Relief, Small Company Relief, Dividend Withholding Tax, Close Companies, Definitions, Consequences, Payment of Private Expenses, Loans to Participators, Payment of excess interest to Directors, Surcharge on Undistributed Investment and Rental Income, Corporate Losses, Late Filing Surcharges, Group Relief, Definitions, Inter Group Payments, General Rules for Group Relief, Capital Gains Tax Group, Definition, Transfer of Assets Intergroup, Company Leaving a Group, Development Land Gains, Group Capital Losses, Overseas Aspects, Permanent Establishment, Trading Overseas via a Subsidiary or a Branch, Double Taxation Relief.

Value Added Tax, The Mechanics of VAT, Charge to VAT, Rates of VAT, Chargeable Amount, Exempt and Zero Rated Supplies, Allowance and Disallowable Deductions, Invoices, Imports, Exports, Property and Administration, Tax Planning, Remuneration

Packages, Incorporation of a Business, Choice of Business, Medium, Disposal of a Business Directors and Shareholders.

## **TEACHING AND LEARNING METHODS**

This module will be delivered through lectures and tutorials. Lectures will be used to impart knowledge and understanding and will also allow students to carry out problem solving exercises that can be used to give students immediate feedback – in this way students' learning can be monitored in the classroom. The learning method will often require students to read prescribed texts and reading material prior to class, and then to actively participate in discussions and group work by expressing opinions and asking questions. The subject also requires additional reading to supplement the lectures and tutorials and to ensure a greater depth of understanding.

## **ASSESSMENT METHODS**

20% of the marks have been allocated to course work, with the remaining 80% being reserved for an end of semester examination held on module completion.

## **PRIMARY READING LIST**

Taxation Manual, Griffith College Publications, Current Edition

## **RECOMMENDED READING LIST**

Taxation Summary, The Institute of Taxation, Current Edition