

Module 1 Advanced Taxation Planning and Advice

Module title	Advanced Taxation Planning and Advice
Module NFQ level	8
Module number/reference	1
Parent programme(s)	Certificate in Advanced Taxation Planning and Advice
Stage of parent programme	Award Stage
Semester (semester1/semester2 if applicable)	n/a
Module credit units (FET/HET/ECTS)	ECTS
Module credit number of units	15
List the teaching and learning modes	PT
Entry requirements (statement of knowledge, skill and competence)	Candidates are required to have a prior knowledge of tax and will currently be/have been in a role that involves the understanding and application of tax law. They are required to be computer literate and adept at managing basic computing functions such as word processing, internet, email and using search engines.
Pre-requisite module titles	None
Co-requisite module titles	None
Is this a capstone module? (Yes or No)	No
Specification of the qualifications (academic, pedagogical and professional/occupational) and experience required of staff (staff includes workplace personnel who are responsible for learners such as apprentices, trainees and learners in clinical placements)	Qualified to at least Bachelor of Arts (Honours) in Accounting and Finance or Business or equivalent with a specialism in Taxation.
Maximum number of learners per centre (or instance of the module)	45
Duration of the module	Two Academic Semesters, block teaching
Average (over the duration of the module) of the contact hours per week	6
Module-specific physical resources and support required per centre (or instance of the module)	One classroom with capacity of at least 45

Analysis of required learning effort										
Effort while in contact with staff										
Classroom and demonstrations		Mentoring and small-group tutoring		Other (specify)		Directed e-learning (hours)	Independent learning (hours)	Other hours (specify)	Work-based learning hours of learning effort	Total effort (hours)
Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner			Hours	Minimum ratio teacher/learner	Hours
48	1:45					26	301			375
Allocation of marks (within the module)										
				Continuous assessment	Supervised project	Proctored practical examination	Proctored written examination	Total		
Percentage contribution				50%			50%	100%		

Module aims and objectives

The module provides advanced knowledge of the principles of the Irish taxation system and the current legislation relating to more complex issues affecting individuals and corporations. It develops the learners' ability to apply their in-depth knowledge and skills and exercise professional judgement in providing taxation information and advice to individuals/corporations. Learners will extend their knowledge of the Irish tax system across a range of complex tax planning issues requiring interpretation and judgment.

The module aims to:

- Provide learners with a detailed understanding and application of the taxes affecting individuals and corporations within the Irish tax system

- Provide learners with knowledge of the reliefs available to individuals and corporations in minimising the tax liability
- Develop the learners' ability to interpret and analyse the information provided and provide tax planning advice in a manner appropriate to the intended audience.

Minimum intended module learning outcomes

On successful completion of this module, learners will be able to:

1. Demonstrate a comprehensive knowledge and understanding of current legislation, compliance and best practice in relation to taxation
2. Critically appraise the interaction of different taxes and their effect on the overall tax liability of the individual/corporation
3. Apply appropriate techniques of enquiry to interpret and communicate technically advanced and challenging material orally or in writing to financial specialist and non-specialist peers
4. Apply a comprehensive and informed perspective to the critical evaluation of an individual/corporation's tax liabilities including overseas aspects
5. Critically analyse and use relevant information to offer interpretations and solutions to complex financial situations and prepare detailed tax computations for individuals/corporations
6. Provide informed advice on tax avoidance and the minimisation and/or deferring of tax liabilities by the use of accepted ethical tax planning techniques
7. Critically review their own performance in terms of time management and planning in order to effect improvements.
8. Analyse and evaluate the impact of taxation on personal and corporate financial management

Rationale for inclusion of the module in the programme and its contribution to the overall IPLOs

Griffith College has identified a need for competency in advanced taxation planning and advice and has developed this module to meet that need.

Information provided to learners about the module

Learners receive full details of the module content and the timetable and the assessment strategy in advance of the commencement of the programme.

Module content, organisation and structure

Unit 1: Taxation of Employment Income

PAYE/PRSI/USC

- Tax efficient remuneration
- Termination payments
 - SCSB
 - Tax Free lump sum
- Taxable Benefits in Kind
- Allowable expenses of employment
- PRSI, health contribution, universal social charge
- PRSI rules for family employments
- P30/P35 completion and submission

PAYE/PRSI/USC Advanced topics

- Taxation of pensions including occupational pension schemes and PRSAs
- Contributions to pensions
- Taxation of employee share options

Employment: Foreign aspects

- Cross Border
- FED
- SARP
- Split year relief
- Operation of PAYE in relation to Irish duties
- Availability of the remittance basis of taxation
- Share options: foreign aspects
- PRSI special collection scheme

Employed v Self-Employed

- Criteria for determining employment status

Unit 2: VAT

VAT Administration

- VAT registration – obligation/election for registration, Group registration
- Cash basis/invoice basis for returns
- Standard, reduced and other rates of VAT
- Valid invoices, credit notes, treatment of refunds and vouchers
- MOSS mini one stop shop

Determining the Application of VAT

- Determining the place of supply of goods. Self-supply. Distance selling. Place of supply of services.
- Supplying to/from other EU countries. Supplying to/from non EU countries.
- Vehicles
- S56 Authorisation
- VAT 60A procedure

Deductible and non-Deductible VAT and special circumstances

- Input credits – allowable and non-allowable
- Partial deductions
- Multiple supplies, Composite supplies
- Margin schemes
- Two thirds rule
- Gifts/advertising/promotional items
- Bad debts
- Farmers and RCT contractors
- Transfer of Business Exemption

VAT on Property

- Distinction between new and old property
- Sales of completed and uncompleted property
- Joint election to charge VAT
- Special developer rules
- Lettings of property
- Landlord's option to charge VAT
- Capital goods scheme
- VAT intervals
- Rent to buy schemes
- Interaction of VAT with stamp duty and other property taxes

Unit 3: Corporation Tax: Essential & Specific Advanced Issues

Corporation Tax: current developments

- Intellectual property regime
- Property trading
- Small start-up exemption
- Research and development credits
- RCT
- Foreign Aspects

Tax provisions – current and deferred tax

- Explanation of current and deferred tax and how it may arise

Tax Risk management and corporate governance

- Management of tax as one of the key costs in the business
- Corporate governance

Tax and the treasury function

- International Issues
- Forecasting future needs for funding

Transfer Pricing

- Exclusion of non-trading prices
- Nature of related party dealings

Corporate Losses

- Trade losses, excess charges

How to fund your business

- Attracting EIS relief
- SURE relief
- Using losses effectively
- Close company rules (including relevant Company Law issues)

Unit 4: Advanced Income Tax

Tax Planning

- Consideration of personal and business tax issues

High earner restrictions

- Application and restrictions on high earner incomes
- Specified reliefs, ring-fencing, thresholds

Taxation of married couples

- Changes in Marital status
- Civil Partnership

Nursing Home expenses and planning

- Exemptions and reliefs
- Tax relief on nursing home fees

Residence Issues

- Domicile, Residence and Ordinary Residence

Double Taxation

- Double taxation relief
- Domicile levy

Investment Income

- Investment income arising in the State

Unit 5: Revenue Interaction

Rights and Obligations

- Rights of the Revenue Commissioners
- Rights and obligations of the taxpayer
- Revenue Code of Practice, as published, and practiced

Qualifying Disclosures

- What constitutes a Qualifying Disclosure
- Requirements and implications of making such a disclosure
- Timing of disclosure
- Self-correction
- Innocent error

Revenue Audit

- The Revenue Audit processes
- Preparing for an audit
- Communication before and after an audit with both Revenue and clients
- Appeals process
- Issues around publication and means of avoiding publication

Communication with Revenue

- Revenue structure and routing of queries
- Revenue precedents – Guidance notes, Statements of Practice, published concessions etc.
- E-Filing and issues surrounding this in practice
- Use of expression of doubt, pre-clearance of transactions
- Third party reporting
- S.811/S.811A communication
- Formal and informal channels of communications (distinguishing between statutory and non-statutory channels).
- Other for a for Revenue communication

Unit 6: Further Aspects of Personal Tax

Capital v Trading Income

- Significance of distinction
 - Characteristics of trading income
 - Characteristics of capital income
- Determination
 - Case Law
 - Revenue practice

Capital Gains Tax

- Principal Private Residence relief
 - Periods of ownership
 - Residence used for trade
 - Divorce/Separation issues
- Share transactions
 - Rights issues
 - Bonus issues
 - 'Bed and Breakfast' transactions, Share register – LIFO/FIFO
 - Company amalgamations and takeovers

Sole Trading

- Commencement and cessation rules relating to Sole Traders and options to revise.
- Sole trader incorporation
 - advantages and disadvantages
 - Timing of incorporation
 - Incorporation relief s600

Capital Allowances – Sch D Case I/II

- Plant & Machinery
 - definitions and Case Law
 - Basis periods
 - Disposal of assets - Balancing Allowances/Charges & replacement options
 - Capital grants and treatment
 - Energy efficient assets
 - Intangible assets
- Motor vehicles restrictions
- Industrial buildings
- Trading Losses and interaction with capital allowances

Farmer Taxation

- Income averaging
- Stock relief - valuation of farm stock and stock relief
- Relief on farm rental income
- Rules on farming losses
- Agricultural relief
- Stamp duty relief – transfer to young trained farmer and consanguinity relief

Case V

- Allowable deductions, premiums on leases, capital allowances
- Rent a room relief
- AirBnB
- Utilisation of losses and excess capital allowances

Unit 7: Corporate Tax – Specialist Issues

Effects of Receivership, Examinership and Liquidation

- Insolvency and corporate restructuring - fundamental concepts including receiverships, examinerships and liquidations

Company re-organisations

- CGT issues
- Accumulated trading losses

Company Insolvency issues

- Taxation of an insolvent company
- Taxation of shareholders, creditors and other third parties
- Distributions of real property in specie
- Enforcement of Revenue debts
- Maximising loss relief claims (including terminal loss relief)
- Loss buying provisions

Legal and Compliance Aspects

- ODCE, Section 56
- Companies Act

Personal Bankruptcy

Unit 8: Succession Planning

Succession and Retirement Planning

- Available Reliefs
 - Business Relief, Agricultural Relief(CAT)
 - Retirement Relief, (CGT), Family Business issues
 - Planning pre-transfer reduction of tax value of a business
 - Reliefs around sites/land
 - Stamp Duty reliefs
 - Annual gift exemption
 - CGT/CAT offset

- **Anti – avoidance**
 - Anti-avoidance measures
 - Connected party losses for CGT

- **Treatment of various asset forms**
 - Tax treatment of Offshore funds,
 - ARFs etc. on death

- **Legal aspects**
 - The Succession Act and implications, Wills.

- **Compliance**
 - Prescribed forms completion; timelines; other compliance issues

- **Estates**
 - Taxation in year of death;
 - Taxation of estates
 - Reconciling various taxes due from relevant parties (beneficiaries etc.)
 - Administration requirements – communication with Revenue.

- **Trusts**
 - Purpose of trusts
 - Tax treatments under various heads – income tax, CGT, CAT, Stamp Duty
 - Discretionary Trusts. Treatment of Life Interests, Contingencies
 - Accumulation and Maintenance Trusts
 - Offshore Trusts
 - Administration and compliance

Module teaching and learning (including formative assessment) strategy

The module is delivered through a combination of lectures, discussion groups and case studies. Learners are required to undertake significant reading prior to lectures to facilitate significant involvement and participation.

Timetabling, learner effort and credit

The programme is delivered over 8 full days spread across the two semesters and avoiding significant tax filing dates.

The figure of 15 ECTS credits assigned to this module is our assessment of the amount of learner effort required to achieve the learning outcomes set out for this programme. 15ECTS equated to 375 hours of learner effort. This can be broken down into 48hours of class contact hours, 26hours of directed e-learning and 301 hours of independent study to be equally distributed across the 8 units of this programme.

Work-based learning and practice-placement

There is no work based learning element to the module.

E-learning

Moodle, the College VLE, is used to disseminate notes, advice, and online resources to support the learners. The content includes timetables, handbooks, assignment hand-up schedules, class plans, class PowerPoint presentations, Q&A forums, notes, activities, industry samples and support resources.

The learners are also given access to Lynda.com as a resource for reference. Lynda.com is an additional online tool with 'how to' video resources.

The learners are provided with webinars on specific topics. The classes are also live streamed and recorded with the recordings being made available on Moodle.

Module physical resource requirements

Requirements are for a fully equipped classroom. No special Software is required for this module.

Moodle, the College VLE, can be accessed in the learner's home, various open labs on campus and in the library. The College library has a dedicated business section with a variety of books available to the learners.

Reading lists and other information resources

Recommended Reading:

Appleby, T. and O'Hanlon, F. *Taxation of capital gains*. Irish Taxation Institute. Current edition.

Bradley, J. A. *PRSI and levy contributions*. Irish Taxation Institute. Current edition.

Brennan, F., Moore, P. and O'Sullivan, H. *Corporation tax*. Irish Taxation Institute. Current edition.

Brodie, S. and Dillon, G. *Value added tax*. Irish Taxation Institute. Current edition.

Cassidy, B. and Somers, J. *Law of value added tax*. Irish Taxation Institute. Current edition.

Kennedy, P. and Murphy, P. *Irish taxation – law and practice (2 Vol.s)*. Irish Taxation Institute. Current edition.

McAteer, W., Reddin, G. and Deegan, G. *Income tax*. Current edition.

Secondary Reading:

Website: www.revenue.ie

Fitzpatrick, T. *Law of capital acquisition*. Irish Taxation Institute. Current edition.

Gannon, F. and McCullagh, V. *VAT on property*. Irish Taxation Institute. Current edition.

Goodman, A. *Stamp acts; Finance act 2011*. Irish Taxation Institute. Current edition.

Lymer, A. and Oats, L. 2016/17. *Taxation: policy and practice*. 23rd edition. UK: Fiscal Publications.

Maguire, T. *Direct tax acts*. Irish Taxation Institute. Current edition.

Martyn, J. and P. Reck. *Taxation summary*. Irish Taxation Institute. Current edition.

Power, T. and Scully, E. *The law and practice of Irish stamp duty*. Irish Taxation Institute. Current edition.

Specifications for module staffing requirements

Each instance of the module is delivered by a lecturer qualified to at least Bachelor of Arts (Honours) in Accounting and Finance or Business or equivalent with a specialism in Taxation.

Module Assessment Strategy

The formative assessment of this programme is based on a project (50%) and a summative open book examination (50%). All repeat work is capped at 50%.

Sample assessment materials

Note: All assignment briefs are subject to change in order to keep content current.

Assignment Title Sheet

Course	Certificate in Advanced Tax Planning & Advice		
Assignment No.:	1		
Assignment Title:	Liddy Limited		
Word count:	3,000 – 3,500	Weighting	50%
Due date:			
Submit assignment to:	<u>Soft copy</u> to be submitted through Moodle. <u>Hard copy</u> to be sent to: Mary Whitney, Griffith College Dublin, South Circular Road, Dublin 8		
Learning Outcomes addressed and assessed in this Assignment:			
<ol style="list-style-type: none"> 3. Apply appropriate techniques of enquiry to interpret and communicate technically advanced and challenging material orally or in writing to specialist and non-specialist peers 4. Apply appropriate techniques of enquiry to interpret and communicate technically advanced and challenging material orally or in writing to financial specialist and non-specialist peers 5. Critically analyse and use relevant information to offer interpretations and solutions to complex financial situations and prepare detailed tax computations for individuals/corporations 6. Provide informed advice on tax avoidance and the minimisation and/or deferring of tax liabilities by the use of accepted ethical tax planning techniques 7. Critically review their own performance in terms of time management and planning in order to effect improvements 			

Case Study:

Liddy Ltd. has been trading profitably as a shoe manufacturer for many years. The €10 ordinary shares in Liddy Ltd. are held as follows:

	€
Tom Liddy	15,000
Gerry Curtis	5,000
Pierce Liddy (Tom's son)	10,000

Tom is aged 54. He has been a Director since 1990 and has always worked full time for the company. His wife Mary, who designs a shoe line for the company, is putting him under pressure to retire, particularly as his relationship with Gerry Curtis has been very strained in recent years and is beginning to impact on the business.

Mary is unpaid for her designer role.

Tom has agreed to retire in the next five years. He currently does not have a pension fund but he has heard from a friend that the company should be paying into one for him and his wife. The market value of assets and liabilities are currently as follows:

Non-Current Assets	€	€	€
Land and Buildings			900,000
Plant and Machinery			300,000
Goodwill			<u>200,000</u>
			1,400,000
Current Assets			
Inventories	50,000		
Trade Receivables	51,000		
Cash	<u>2,000,000</u>		2,101,000
Less: Current Liabilities			
Creditors		<u>51,000</u>	<u>2,050,000</u>
Net Assets			<u>3,450,000</u>
Share capital & Reserves			<u>3,450,000</u>

Tom inherited his shares on the death of his father, Frank, in August 1990. Frank had acquired the shares for €20,000 in 1970. Their value at 5/4/74 was €35,000. The value of the shares at the date of Frank's death was €500,000. It is accepted that the current value of Tom's share reflects 50% of the net asset value of the company.

Tom wants to exit the company with enough money to fund his life style. He does not want to sell his shares to Gerry.

Tom's taxable emoluments, (including benefits-in-kind), under Schedule E are €90,500 per annum and have been for the past 5 years. Tom had commenced employment with Liddy Ltd on 5 December 1990.

Pierce, Tom and Mary's son, lives beyond his means and has no savings. His father has approached him to enquire whether he is interested in buying Tom's share of the company. Pierce is interested in doing so and may be able to take out a bank loan at a rate of 5% p.a. Tom has visited you for tax advice. At this meeting you discussed relevant tax planning points in respect of his proposed retirement from Liddy in five years' time and his desire to fund for his retirement. Particularly he would like you to explore whether it is suitable for him to take extra money from the company over the next five years as dividends and whether a company pension scheme should be set up and funded. He had also heard about reliefs available on retirement and has asked you to include consideration of this in your report.

The bottom line is that he would either increase the money he extracts from the company each year for the next five years so that he can build up his personal savings for retirement or sell his shares to either his son or Liddy Ltd. He is also willing to consider a combination of tax saving exit strategies. He is confused and needs your help.

REQUIREMENTS:

Prepare a detailed report that:

- (i) Sets out at least 5 options for cash extraction from Liddy Ltd.
10 Marks
- (ii) Clearly quantifies and discusses **all** the taxation implications of each option you have described in (i) above, from:

Liddy Ltd.'s point of view; (5 options x 4 marks)
Tom's point of view; and (5 options x 4 marks)
Mary and Pierce's point of view (10 marks)
50 Marks
- (iii) Which option would Tom prefer and why? (5 marks)
- (iv) Which option would Liddy prefer and why? (5 marks)
- (v) Which option would Mary and Pierce prefer and why? (5 marks)
- (vi) Advise on any non-tax consideration that your client should take into account. (5 marks).
20 Marks

For the purpose of this assignment, assume that the market value of the company will not change materially over the next 5 years.

Liddy Ltd sells some of its shoes to two types of French Customer:

- (i) To French VAT registered wholesalers and
- (ii) To French (non VAT registered), individual customers via mail order.

10 Marks

Advise how Liddy Ltd should account for VAT on these sales. Clearly highlight what further information you may need from Liddy.

Professional presentation of report referenced using the Harvard Referencing System

5 Marks

Short report reflecting on your own personal performance in terms of time management, planning, and completion of the assignment.

5 Marks

Total 100 Marks

MARKING SYSTEM – TAXATION ADVICE ASSIGNMENT

80-100 – outstanding marks given out on the basis of exceptionally high performance. Students at this grade are expected to show not only excellent presentation, depth of understanding and articulation but also original thinking. Students will draw on relevant legislation and best practice, as well as an insightful analysis of the issues, to offer clear and thorough reports that are of a professional consultancy standard.

70-79 - Students at this grade are expected to show a very good level of presentation, depth of comprehension and articulation. Students will draw on relevant legislation and best practice, as well as an insightful analysis of the issues, to offer clear and thorough reports that are of a professional consultancy standard.

65-69 – this mark is indicative of a ‘good’ level where the student demonstrates a strong grasp of the issues and communicates this effectively. Students will draw on relevant legislation and best practice, as well as a competent analysis of the issues, to offer clear and thorough reports that are of a good standard.

60-64 - this mark is indicative of a ‘reasonably good’ level where the student demonstrates a general depth understanding of the issues and communicates this in a reasonably coherent manner. Understanding of the relevant points is demonstrated. Students will draw on some legislation and best practice, as well as a competent analysis of the issues, to offer reports that are of an above average standard.

55-59 - this mark is indicative of an ‘average’ level of understanding and articulation. The material may lack breadth and a degree of coherency and depth in places but it demonstrates a reasonable understanding of the issues. Students will draw on limited legislation and best practice, as well as a competent but limited analysis of the issues, to offer reports that are of an average standard. Report may lack clarity in places.

50-54 - this mark is indicative of an ‘acceptable’ level of understanding and articulation. The material generally lacks breadth and depth however a fundamental grasp of the issues is demonstrated – sufficiently so as to pass the assessment. Report may lack consistency and clarity in places.

40-49 – the report fails to demonstrate an adequate level of analysis of the issues and to demonstrate adequately an understanding of the key points. The material may be vague and be a ‘catch-all’ answer to the report. Alternatively, some fundamental errors of analysis may be made in the treatment of the issues.

0-39 – the report fails to demonstrate any proper level of understanding of the issues in question. Key points are misunderstood and/or no depth of analysis is conducted. In extreme cases, the material may be totally irrelevant to the subject at hand.