

6.8 Module 8 Taxation (IRL)

6.8.1 Headline information about the module

Module title	Taxation (IRL)
Module NFQ level (only if an NFQ level can be demonstrated)	9
Module number/reference	PGDAFM-T
Parent programme(s) the plural arises if there are embedded programmes to be validated.	MSc in Accounting and Finance Management
Stage of parent programme	1
Semester (semester1/semester2 if applicable)	2
Module credit units (FET/HET/ECTS)	ECTS
Module credit number of units	10
List the teaching and learning modes	Full time, part time
Entry requirements (statement of knowledge, skill and competence)	Learners must hold an honours degree of at least a H22 standard in an accounting/finance related field or equivalent qualification from an approved tertiary or professional institution.
Pre-requisite module titles	Not applicable
Co-requisite module titles	Not applicable
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 master's level in accounting, finance or business equivalent preferably with a professional accounting / finance qualification and a third level teaching qualification (e.g. Certificate in Training and Education).
Maximum number of learners per centre (or instance of the module)	60
Duration of the module	12 weeks
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)	Normal lecture room with internet access and good-quality audio-visual equipment.

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					
60	1:60	12	1:20				178			250
Allocation of marks (within the module)										
				Continuous assessment	Supervised project	Proctored practical examination	Proctored written examination	Total		
Percentage contribution				50%			50%	100%		

6.8.2 Module aims and objectives

The aim of this module is to develop the learner's skills in interpreting, understanding and applying the principles and legislation governing the Irish taxation system. The module provides learners with knowledge of the various reliefs and exemptions available to individuals and corporations (both single corporations and group corporations). On successful completion of this module, learners will develop the competencies required to provide taxation advice in a manner appropriate to the intended audience. The tax heads covered in this module include Value Added Tax, Income Tax, Corporation Tax, Capital Gains Tax, Capital Acquisitions Tax and Stamp Duty.

6.8.3 Minimum intended module learning outcomes

On successful completion of this module, learners are able to:

- (i) Illustrate a comprehensive knowledge of the main principles of Value Added Tax, Income Tax, Corporation Tax, Capital Gains Tax, Capital Acquisitions Tax and Stamp Duty.
- (ii) Critically appraise the interaction of these taxes and the effect on the overall tax liability of an individual/corporation.
- (iii) Prepare detailed tax computations for individuals, single corporations and groups of corporations, including overseas aspects.

- (iv) Analyse and advise on the use of exemptions and reliefs in deferring and minimising the tax liabilities of individuals, single corporations and group corporations.
- (v) Identify and evaluate the impact of relevant taxes on various financial decisions and identify appropriate courses of action.
- (vi) Provide advice on tax avoidance and the minimisation and/or deferring of tax liabilities by the use of standard ethical tax planning techniques.

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

Taxation has a major impact on how individuals and corporations operate in business and this module concentrates on the Irish Taxation system and on how it operates. Having completed this module, learners should be able to apply professional knowledge and skills and exercise professional and ethical judgement in providing taxation advice to individuals and corporations on the impact of the major Irish taxes on financial decisions.

6.8.5 Information provided to learners about the module

The Programme Handbook contains the module descriptor and assessment details. Extensive use of the VLE, Moodle, provides detailed notes and additional resources. In class, learners are provided with a PowerPoint pack and extensive reading list, incorporating professional and academic sources.

6.8.6 Module content, organisation and structure

Purpose and Administration of Irish Taxation

- Outline of the Irish tax system and its administration
- Self-assessment system, payment of taxes, tax return filing dates, surcharges and penalties
- Structure of the Revenue, Revenue powers, Revenue audits, Taxpayer's Charter of Rights, appeals

Value Added Tax (VAT)

- The general principles for the administration of and computation of VAT
- Transactions attracting a VAT charge
- VAT registration, group registration, voluntary registration, de-registration
- Various reliefs, exemptions and rules e.g. the two thirds and package rules
- EU intra-community trade, imports and exports
- Timing and manner of payments

Income Tax

Outline of Income Tax

- The charge to Income tax, residence and domicile
- Classification of income, basis of assessment

- Income tax credits and charges on income
- Exemptions and reliefs
- Tax treatment of single, married, civil partners, widowed, separated and divorced persons

Trade and Professional Income

- Badges of Trade
- Determination of assessable income
- Capital versus revenue expenditure
- Computation of assessable profit
- Rules of commencement and cessation including possible revisions
- Short lived businesses
- Change of accounting date
- Capital Allowances, wear and tear, balancing allowances and charges, replacement option

Property and Investment Income

- Taxation of Investment Income, Case III, Case IV, and Schedule F
- Basis of assessment
- Dividend withholding tax, shares in lieu of dividends, dividends
- Case V income - basis of assessment, allowable deductions, premiums on leases
- Case V capital allowances
- Rent a room relief

Employment income

- Scope of Schedule E
- Employed Vs self-employed
- Basis of assessment
- Qualifying expenses, benefits in kind, share option schemes
- Termination payments, lump sum receipts, exemptions and reliefs
- Income from overseas employment and taxation of foreign employment exercised in the State
- PAYE system

Social Insurance and Health Contributions

- The scope and operation of Pay Related Social Insurance
- The Universal Social Charge

Income Tax Losses

- Relief for trade Losses, current year claims and losses carried forward

- Terminal Losses

Corporation Tax

Scope of corporation tax

- Company residence and permanent establishment
- Charge to Corporation Tax, classification of income, basis of assessment
- Tax adjusted profits calculation
- Dividend withholding tax
- Rental income
- Franked investment income
- Relief for new companies
- Close companies – definitions and consequences, surcharges, service companies

Calculation of Corporation Tax Liability

- Computation of Corporation Tax liabilities including the relevant treatment of trading losses including relief on a value basis
- Chargeable gains subject to corporation tax

Capital allowances

- Plant and machinery
- Industrial buildings allowances for new and second-hand buildings

Groups

- Effect of group corporate structures for Corporation Tax purposes
- Types of group relief and order of set-off
- Calculation of Corporation Tax liabilities for a group of companies
- Transfer of assets within a group
- Transfer of a trade
- Consortiums
- Pre-entry gains and losses, tax treatment
- Anti-avoidance provisions, company leaving a group
- Trading overseas via a subsidiary or a branch, Double Taxation Relief

Capital Gains Tax (CGT)

Scope of Capital Gains Tax

- Determination of residence and domicile, relevance for Irish Capital Gains Tax
- Computation of Capital Gains Tax liabilities for individuals and corporations, payment dates, withholding tax
- Chargeable assets, exempt assets, part disposals
- Enhancement expenditure

- Shares – including bonus issues and rights issues
- Assets passing on death and between spouses

Computing Gains and Losses

- Connected person rules and Capital Gains Tax implications of transfers
- Market Value rules
- Impact of date of disposal and conditional contracts
- Use of capital losses in year of death
- Development land – gains, losses, indexation

Disposal of moveable and immovable property

- Tax implications of a part disposal
- Principal Private Residence Relief
- Disposal of wasting assets
- Appropriation to and from trading stock
- Capital sums received in respect of the loss, damage or destruction of an asset

Capital gains tax reliefs

- Relief for the transfer of a business to a company
- Retirement Relief
- Favourable holding company relief
- Entrepreneur Relief

Capital Acquisitions Tax (CAT)

Scope of Capital Acquisitions Tax

- Chargeable persons, residence and domicile
- Tax implications of location of assets

Computational Principles

- Definition of gift, inheritance, date of gift, inheritance and valuation
- Group thresholds, aggregation rules
- Tax implications of the location of assets

Liabilities arising on gifts and inheritances taken by individuals

- Tax implications of lifetime benefits
- Transfers within two years of death
- Operation of double taxation relief
- Tax arising on lifetime gifts and inheritances

- Inter-relationships between Capital Gains Tax and Capital Acquisitions Tax, computation of available set-off

Computation

- Principles of valuation, concepts of market value, encumbrance free value and taxable value
- Utilisation of various reliefs e.g. Dwelling House Relief, Business Property Relief, Agricultural Relief
- Exempt benefits

Stamp Duty

Scope of Stamp Duty

- Stamp duties payable on transactions
- Use of exemptions and reliefs in minimising stamp duties

Importance of taxation to personal and corporate financial management

- Effects of age, family commitments, aspirations and the economy on personal financial objectives
- Effect of profitability, future plans, actions of competitors and the economy on a business' financial objectives:
 - Tax implications of the raising of equity and loan finance
 - Impact of taxation on cash flows

Minimising and/or deferring tax liabilities

- Types of investment and other expenditure resulting in reductions in tax liabilities of individuals and corporations
- Legitimate tax planning measures in given circumstances
- Mitigation of tax by reference to numerical analysis and/or reasoned argument
- Ethical and professional issues surrounding tax planning advice
- Current issues in taxation

Communication with clients, the Revenue Commissioners and other professionals.

- Communication of advice, recommendations and information in the required format
- Communicating conclusions reached, together with relevant supporting calculations
- Stating and explaining assumptions made or limitations in analysis provided
- Revenue Audit procedures, penalties, mitigation of penalties

6.8.7 Module teaching and learning (including formative assessment) strategy

A range of delivery methods are adopted, including lectures, tutorials, case studies and in-class exercises using a range of professional and academic sources. These are designed to

engage learners in the module content, and associated competencies that the programme wishes learners to develop over the course of the module.

Learners' guided independent reading and research is supported by use of Moodle to help prepare learners for their classes in addition to developing autonomous self-directed learners.

6.8.8 Work-based learning and practice-placement

There is no work-based learning on practice-placement within this module.

6.8.9 E-learning

E-learning supports are provided via the college's online learning environment, Moodle, including extensive library resources.

6.8.10 Module physical resource requirements

Normal lecture room with internet access and good-quality audio-visual equipment.

6.8.11 Reading lists and other information resources

Core Reading (updated annually)

Byrne, P. (2019) *Irish Taxation Advanced* 4th ed. Griffith College: Dublin

Recommended Reading

Brennan, F., Moore, P. and O'Sullivan, H., (2015) *Corporation Tax* 27th ed. Irish Taxation Institute: Dublin.

Brodie, S. et al. (2017) *Value-Added Tax on Property: Finance Act 2016* Irish Taxation Institute: Dublin.

Cassidy, B. and Reade, M. (2018) *Law of Value-Added Tax: Finance Act 2017* Irish Taxation Institute: Dublin.

Gaynor, C. et al. (2017) *Irish Taxation: Law and Practice – 2017-2018* 15th ed. Irish Tax Institute: Dublin.

Keogan, A. and Scully, E. (2018) *Law of Capital Acquisitions Tax, Stamp Duty and LPT: Finance Act 2017* Irish Taxation Institute: Dublin.

Maguire, T. (2017) *Direct Tax Acts* 20th ed. Irish Taxation Institute: Dublin

Martyn, J. et al. (2018) *Taxation summary: Finance Act 2017*, 42nd ed. Irish Taxation Institute: Dublin.

O'Hanlon, F. and McCleane, J. (2016) *Taxation of Capital Gains* 28th ed. Irish Taxation Institute: Dublin.

Useful Websites

www.revenue.ie - The Revenue Commissioners

www.cpaireland.ie - The Institute of Certified Public Accountants in Ireland.

6.8.12 Specifications for module staffing requirements

Lecturer(s) are qualified to at least master’s level in accounting, finance or business equivalent preferably with a professional accounting / finance qualification and a third level teaching qualification (e.g. Certificate in Training and Education).

6.8.13 Module summative assessment strategy

The module is assessed via assignment (50%) and exam (50%). The assignment requires learners to apply professional knowledge and skills and exercise professional and ethical judgement in providing taxation advice to individuals and corporations on the impact of major Irish taxes on financial decisions. The end of term exam is closed book over three hours. It concentrates on the main elements of the module outcomes with all aspects of the syllabus examined over a cycle of a number of papers.

The assessed work breakdown can be seen in the table below.

No	Description	MIMLOs	Weighting
1	Individual Assignment on aspects of the Irish Taxation System.	i, ii, iii, iv, v, vi	50%
2	Closed book exam	i, ii, iii, iv, v, vi	50%

6.8.14 Sample assessment materials

Please see Sample Assessment Handbook