

**NATIONAL UNIVERSITY OF SINGAPORE**  
**NUS Business School**  
**Department of Accounting**  
**Semester 1, 2014/2015**  
**ACC3605 Taxation**

**INSTRUCTOR AND COORDINATOR**

Associate Professor Simon Poh (email: [bizpohs@nus.edu.sg](mailto:bizpohs@nus.edu.sg))

**PRE-REQUISITES**

BSP1004 Legal Environment of Business  
ACC1002 Financial Accounting

**AIM**

To introduce students to the important concepts and issues relating to taxation of income for businesses and individuals in Singapore.

**OBJECTIVES**

On completion of this module, students should be able to:

- have a practical understanding of the taxation system in Singapore for both businesses and individuals.
- prepare both corporate and individual tax computations.
- explain and apply the provisions of the goods and services tax in Singapore.
- explain the use of exemptions and reliefs in basic tax planning.

**KEY AREAS OF THE SYLLABUS**

Key topic areas are as follows:

- Explanation as to who is a taxable entity.
- Explanation as to how income is to be measured and what income falls within the provisions of the Income Tax Act of Singapore.
- Explanation as to what are the allowable tax deductions and capital allowances.
- Explanation as to what are the reliefs available to the individuals and companies and how they can be used.
- Explanation on the major provisions of GST in Singapore.
- Explanation on taxation of foreign income and double taxation agreements.

**BASIC ESSENTIAL TEXTBOOK**

Taxation in Singapore 2013 Edition, Simon Poh, McGraw-Hill Singapore

**OTHER REFERENCES**

Selected e-Tax Guides issued by the Inland Revenue Authority of Singapore (IRAS). These can be found at <http://www.iras.gov.sg/>

**TAX STATUTES**

Income Tax Act, Cap 134

Goods and Services Tax Act, Cap 117A

Both statutes are available for on-line viewing at <http://statutes.agc.gov.sg>

## **ASSESSMENT & EVALUATION**

### **Group Assessment**

Tutorials	10%
Group Project	20%

### **Individual Assessment**

Class Participation	15%
Final Exam	55%

TOTAL	<u>100%</u>
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## **CLASSES**

Students are expected to come to class well prepared and be ready to respond to questions as required. This means doing the required readings or problem assignments before each session.

All lecture notes, tutorial questions, reading materials and assignments are downloadable from the course website. Lectures may not necessarily relate directly to your readings and assignments. However, all materials from lectures, readings, assignments and tutorials may be included in the examinations.

Classes commence from Week 1 (week beginning 11 August 2014, i.e. first lesson on **Thursday, 14 August 2014 or Friday, 15 August 2014**), and the respective sections and times are:

Section E1	-	Thu 12pm to 3pm	(BIZ2 - Seminar Room 4-13C)
Section E2	-	Fri 9am to 12pm	(BIZ2 - Seminar Room 4-13A)
Section E3	-	Thu 9am to 12pm	(BIZ2 - Seminar Room 4-13C)

## **TUTORIALS**

Groups will be assigned to prepare written answers and make class presentations for each of the 8 tutorials in this course. There would be approximately 4 or 5 students in each group.

## **GROUP PROJECT**

More details will be released. Assigned groups will also be expected to prepare a written report and make class presentations. The groups for the project will be the same as those for the tutorials

## **CLASS PARTICIPATION**

Students are strongly encouraged to actively participate in class discussions. Students will be graded on an individual basis according to their contributions to the class discussions. In this respect, students should come well prepared for every session in this course.

## **FINAL EXAMINATION**

The Final Examination will be in closed book format with only the prescribed textbook allowed in the examination hall.

## **DETAILED SYLLABUS BY WEEK**

### **Week 1: Introduction to Singapore Tax System (Chapter 1)**

- Introduction & overview
- Legislative framework for taxation
- Income tax administration
- Structure of Income Tax Act
- Basic tax concepts
  - territorial basis
  - tax entities
  - year of assessment and basis period
  - tax residence

### **Week 2: Concept of Income (Chapter 2)**

- Distinction between income and capital
- Source of Income
- "Trading in" vs. "Trading With"
- Concept of Permanent Establishment
- Charging Provision: Section 10(1)
- Deemed Remittance Rules
- Trade, business, profession, vocation
- Employment income
- Dividends, interest or discount
- Pension, charge or annuity
- Rents, royalties, premiums, etc
- Any other gain of an income nature
- Tax exempt income
- Deemed source income

### **Weeks 3&4: Tax Deductions (Chapter 3)**

- Distinction between revenue and capital expenditure
- General deduction formula
- Allowable expenses
- Prohibited expenses
- Special, further and double deductions
- Donations
- Productivity and Innovation Credit (PIC)

### **Week 5: Capital Allowances (Chapter 4)**

- Concept of capital allowances
- Plant & machinery allowances
- Writing Down Allowance (WDA)
- Productivity and Innovation Credit (PIC)
- Industrial Building Allowance (IBA) / Land Intensification Allowance (LIA)

### **Weeks 6: Taxation of Businesses (Chapter 5)**

- Chargeable income and tax liability
- Relief for unabsorbed trade losses, capital allowances & donations
- Loss transfer system of group relief
- Loss carry-back system
- Dividends & distributions of corporate profits
- One-tier corporate tax system
- Sample tax computation

### **Week 7: Taxation of Non-Residents (Chapter 8)**

- Deeming provisions
- Withholding tax
- Non-residents doing business in Singapore
- Permanent establishments

### **Week 8: Taxation of Foreign Income (Chapter 9)**

- Basis of taxation of foreign income
- Deemed remittance rules
- Tax exemption for foreign source income
- Methods of relieving double taxation
- Claims for foreign tax credits
- Double taxation relief (DTR)
- Unilateral tax relief (UTR)
- Double taxation agreements (DTAs)

### **Weeks 9: Goods and Services Tax (GST) (Chapter 10)**

- Overview of GST and how it works
- Key concepts of GST
- Claiming input tax credits
- Exports and international services
- Registration & Record-keeping
- Tax Receipts and Invoices

### **Weeks 10&11: Taxation of Individuals (Chapter 6)**

- Basis of Assessment
- Tax Residence
- Taxation of employment income
- Joint and separate assessments
- Personal reliefs and allowable deductions
- Sample individual tax computation

### **Week 12: Group Project Presentations**

### **Week 13: Revisions**

**Please refer to the detailed teaching schedule which will be made one week before the first lesson, i.e. by 7 August 2014.**