


COURSE OUTLINE

Programs	BSAF (Core)	
Course	Taxation (LAW303)	
Faculty	Haroon Tabraze	
Class Schedule:	See timetable	
Prerequisites:	FA	
Office Hours:	Tue / Thu 12:45 – 3.00 pm	

Course Description

Tax is an important tool for the fiscal and economic management of a country. It is imposed on economic units to finance the expenditure of a government and is also used to encourage or discourage a certain sector/activity. Taxes consist of Direct Taxes and Indirect Taxes. The challenge for any Government is designing and implementing a taxation system which creates an equitable taxation regime based on sound taxation principles. The tax has a direct impact on the social system besides having a significant impact on the operations and decision-making of individuals and business entities.

Study Resources

- Income Tax Ordinance (amended to the most recent tax year)
- ICAP Tax Practices Study Text (CAF-2)

Course Plan		
No.	Session	Description
H1	1	Introduction to the course
H2	2	Purpose and function of taxation and its social aspects. Basic concepts in designing and implementing an equitable taxation regime. Progressive, regressive and flat tax systems.
H3	3	Ethics for tax legislation, taxpayers and tax authorities vis-à-vis Tax avoidance, tax evasion and tax planning/optimisation.
H4	4	Operation and scope of the tax system and administration. Constitutional provisions of taxation in Pakistan. Principal sources of revenue law. Income Tax Ordinance, 2001 and Sales Tax Act, 1990. Role of Federal Board of Revenue (FBR), Sindh Revenue Board (SRB), Punjab Revenue Authority (PRA) etc. working under the Ministry of Finance (MoF) of Federal and Provincial Governments.
H5	5,6	Determining income under each head of income and computing total and taxable income for the relevant tax year. Concepts of person, associates, taxpayer, tax year, income, total income, and taxable income.
H6	7,8	Heads of income. Computation of income under each head of income. Salary, the value of perquisites, employee share schemes.
H7	9,10	Income from the property including non-adjustable amounts received in relation to buildings.
H8	11,12,13,14	Income from business including speculation business. General Principles for allowing and disallowing deductions from P&L. Tax Depreciation, first-year allowance, treatment of intangibles and pre-commencement expenses.

H9	15,16	Capital gains including gains on the disposal of immovable property and securities.
H10	17,18,19	Income from other sources. Disposal and acquisition of assets including cost and consideration received. Non-arm's length transactions and non-recognition rules in relation to capital gains.
H11	20	Deductible allowances, tax credits.
H12	21	Setting-off losses arising from the various heads of income.
H13	22	Taxation for partnerships.
H14	23	Taxation for companies.
H15	24	Requirements in respect of furnishing returns of income and wealth statement. Concept of self-assessment. Methods and timing of furnishing returns and accompanying documents. Due date for payment of tax for individuals.
H16	25	Requirements about keeping records. Appeal procedures. The difference in the interpretation of fact/law. Alternate dispute resolution mechanism.
H17	26	Scope and operations of Sales Tax and Provincial sales tax. Concept of zero-rating, and sales tax refunds. Determination of sales tax liability.
H18	27	Registration and deregistration. Tax invoices vs. normal invoices. Debit/Credit notes. Sales Tax returns filing and penalties.
H19	28	Payment of taxes. Collection of tax at the source. Withholding agents. The consequence of late payment – penalty & surcharge

Attendance policy:

The IBA attendance policy will be followed but with a change to make it less stringent. For each additional absence the student will lose 5 marks, leading to a one-grade drop.

Assurance of Learning:

As part of this taxation course, an Assurance of Learning (AOL) activity will be conducted to assess your understanding of the ethical considerations within the area of taxation. This component aims to evaluate your ability to apply ethical principles to various tax-related scenarios. It is important to note that the Assurance of Learning related to ethics will be ungraded and is intended solely for the purpose of enhancing your ethical awareness and decision-making skills.

Assessments:

Mid Term 30 Marks
Final 40 Marks
Quiz 20 Marks
Assignments 10 Marks