

NATIONAL UNIVERSITY OF SINGAPORE
NUS Business School
Department of Accounting
Semester 1, 2023/2024
ACC3703: Taxation

INSTRUCTOR

Assistant Professor Hansol Jang (email: hjang@nus.edu.sg)

PRE-REQUISITES

BSP1004 Legal Environment of Business
ACC1701/ACC1002 Accounting for Decision Makers

AIM

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

MODULE 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.

BASIC ESSENTIAL TEXTBOOK

eBook Taxation in Singapore 2022/23 Edition, Simon Poh, McGraw-Hill Singapore
ISBN No 978-9-813-31177-0; Please see the “eTextbook purchase guide” document posted on Canvas.

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>.

Income Tax Act, Cap 134
Goods and Services Tax Act, Cap 117A

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

ASSESSMENT & EVALUATION

Group assessment (45%)

Tutorials	
Tutorial assignments (6 of 7 will count toward the assessment)	25%
Group project	20%
(Group assessment grades will vary with individual input/effort)	

Individual assessment (55%)

Class participation	5%
Comprehensive final exam	50%

Total	100%
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CLASSES

All lecture notes, tutorial questions and reading materials are downloadable from Canvas. All materials from lectures, readings, assignments and tutorials may be included in the examinations.

Classes commence from Week 1 (week beginning on 14 August 2023, i.e., first lesson on **Monday, xx August 2023**, and the respective sections and times are:

Section A1	-	xxday xx.xx to xx.xx pm (BIZ1 – Seminar Room xxxx)
Section A2	-	xxday xx.xx to xx.xx pm (BIZ1 – Seminar Room xxxx)

TUTORIALS

Tutorials are assignments to be completed in group. Tutorials will commence from Week 4 onwards. On class days assigned with tutorials, the first hour of the class session is allotted to tutorial discussion. Groups will be formed by the end of the first week of class, i.e., 20 Aug 2023 (Sunday).

GROUP PROJECT

More details are posted on Canvas. Assigned groups must 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. Participation marks are only awarded for participations during class sessions, and not through emails or enquiries sent outside class session.

FINAL EXAM

The Final Examination will be “Closed Book” with authorized materials. You are allowed to bring into the examination hall only ONE A4-sized piece of paper typed or written on both sides for reference purposes.

DETAILED SYLLABUS BY WEEK (Tentative)

Week 1: Introduction to Singapore Tax System (Topic 1 / Chapter 1)

- The Purpose of Taxation in a Modern Economy
- Different types of taxes
- 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
 - tax planning, tax avoidance and tax evasion

Week 2: Concept of Income (Topic 2 / 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: Tax Deductions (Topic 3 / 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 4: Capital Allowances (Topic 4 / Chapter 4)

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

Weeks 5: Taxation of Businesses (Topic 5 / Chapter 5)

- Scope of corporate income tax
- Chargeable income and tax liability

- Relief for unabsorbed trade losses, capital allowances & donations
- Loss transfer system of group relief
- Loss carry-back system
- Mergers and acquisition (M&A) scheme
- Dividends & distributions of corporate profits
- One-tier corporate tax system
- Sample tax computation
- Comprehensive computation of corporate tax liability
- Use of exemptions and reliefs in deferring and minimising corporate tax

Week 6: Taxation of Non-Residents (Topic 6 / Chapter 8)

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

Week 7: Taxation of Foreign Income (Topic 7 / 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)

Week 7 & 8: Goods and Services Tax (GST) (Topic 8 / Chapter 10)

- Overview and scope of GST and how it works
- Key concepts of GST including types of supply, time and value of supply
- Claiming input tax credits
- Exports and international services
- Common GST schemes and incentives
- Registration & Record-keeping
- Tax Receipts and Invoices
- Preparation of GST Return

Week 9: Stamp Duty (Topic 9 / Chapter 11)

- Overview of Stamp Duty Regime in Singapore
- Stamp Duty on transfer of shares
- Stamp Duty on transfer of immovable properties
- Stamp Duty on lease and tenancy agreements
- Administration of Stamp Duty and penalties

Week 10: Taxation of Individuals (Topic 10 / Chapter 6) & taxation of partnerships (Topic 11 / Chapter 7)

- Basis of Assessment & Tax Residence
- Income from self-employment vs employment income
- Taxation of employment income

- Joint and separate assessments
- Personal reliefs and allowable deductions
- Sample individual tax computation
- Comprehensive computation of individual tax liability
- Use of exemptions and reliefs in deferring and minimising individual tax

- Determining the taxable profits of a partnership
- Allocation of partnership profits
- Changes in profit sharing ratio and partnerships
- Tax treatment of limited liability partnerships (LLPs)
- Tax treatment of limited partnerships (LPs)

Week 12: Group Projects Due, Group Project Presentations, & Completion of Tutorials

Week 13: Group Project Presentations, Revision plus Summary, & Review of Module

Students should refer to the detailed weekly teaching schedule which will be made available on Canvas 1 week before the first lesson, i.e., by 7 August 2023