

TAXATION I

GRADO EN DERECHO / BACHELOR OF LAWS

Professor: **GIULIO ALLEVATO**

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Degree course: THIRD

Semester: 1º

Category: COMPULSORY

Number of credits: 6.0

Language: English

PREREQUISITES

SUBJECT DESCRIPTION

The subject of the Course is the illustration of a standard tax system's architecture by means of a comparative and case-based approach. The Course is divided into four parts.

Part I will illustrate the main elements of a tax, the main types of taxes and the main trends in tax policy.

Part II will discuss the main features of income taxation.

Part III will focus on the tax treatment of business entities' income.

Part IV will discuss the main features and mechanisms of functioning of the main indirect taxes, such as VAT, the property and other wealth taxes as well as the estate and gift taxes.

OBJECTIVES AND SKILLS

The main objective of the Course is to provide the students with an in-depth knowledge of the architecture, the rationale and the functioning of the main taxes of which a standard OECD country's tax system is composed.

Upon completion of this course, participants will acquire:

- the ability to understand and possibly identify the tax issues underlying a certain real life or business situation;
- appropriate skills (e.g.: specific language, commonly used acronyms, etc.) related to taxation.

METHODOLOGY

Except for the sessions dedicated to the recap and student presentations, each session of the Course will include a theoretical introduction, comments on real tax cases and open discussion with the students .

Home study and homework will be necessary for the proper follow up of the lessons.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	40.0 %	60 hours
Discussions	20.0 %	30 hours
Exercises	10.0 %	15 hours
Group work	10.0 %	15 hours
Other individual studying	20.0 %	30 hours
TOTAL	100.0 %	150 hours

PROGRAM

SESSION 1

Introduction to the course

SESSIONS 2 - 3

Tax sovereignty's functions

SESSION 4

The taxing power: holders and exercise

SESSION 5

Tax compliance and tax assessment

SESSIONS 6 - 7

Institutional constraints and general principles of tax policy

SESSION 8

Direct taxation versus indirect taxation

SESSION 9

The role of tax competition

SESSION 10

Recap of Part I and student presentations

SESSION 11

Basic choices for income taxation

SESSION 12

Mid-term exam

SESSION 13

Income tax rates

SESSION 14

Income and capital gains

SESSIONS 15 - 16

Income (Profit) Measurement

SESSION 17

Loss Compensation

SESSION 18

Recap of Part II and student presentations

SESSIONS 19 - 20

Partnerships and other transparent entities

SESSION 21

Architecture of corporate income taxation

SESSION 22

Debt vs. Equity financing

SESSIONS 23 - 24

Taxation of corporate groups

SESSION 25

Principles of international income taxation

SESSION 26

Recap of Part III and student presentations

SESSION 27

Value Added Tax and Sales taxes

SESSION 28

Other indirect taxes

SESSIONS 29 - 30

Final Exam

BIBLIOGRAPHY

There is no compulsory bibliography to follow or text book to be bought by the students. As a reference, the below bibliography can be used.

Recommended manual:

Comparative Income Taxation: A Structural Analysis

2010, Hugh J. Ault, Brian J. Arnold, Wolters Kluwer, 3rd edition.

Apart of that, **lecture notes**, **slides** and several different **articles** from academic journals will be used as well. All of them will be accessible through the Campus on line.

EVALUATION CRITERIA

Each student has four attempts over two consecutive academic years to pass this course. Dates and location of the final exam will be posted in advance and will not be changed.

Students must attend at least 70% of the Course's sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in the Course again the following academic year).

Students who are in the third or fourth attempt should contact the professor during the first two weeks of the Course.

Grades: From 0 to 10 (scoring 5 or more will be needed to pass the Course)

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- the retakes will consist on a comprehensive exam. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- the exam will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained on the second and fourth attempts is 8 out of 10.
- the third attempt will require the student to complete:
 - o a written assignment or a written comment on a case
 - o a final exam

This is also applicable to students who do not have required attendance, e.g. sickness.

Dates and location of the retakes will be posted in advance and will not be changed.

Criteria	Percentage	Comments
Class Participation	25 %	
Intermediate Tests	25 %	
Final Exam	50 %	Final Exam will include: 1) YES/NO questionnaire: 40% over the 50% 2) Reply to open questions 60% over the 50%

PROFESSOR BIO

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Giulio Allevato is Professor of Tax Law at IE University Law School. Before joining IE University, he was Hauser Global Fellow at the New York University (NYU) School of Law, where he was affiliated to the Graduate Tax Program faculty, and Lecturer of Tax Law at SDA Bocconi School of Management and Bocconi University Law School. In the past, he has also been Ernst Mach Scholar at the Institute for Austrian and International Tax Law of the Vienna University of Economics and Business (WU). He regularly teaches at undergraduate and post-graduate programs and conducts research and training projects with important national and multinational enterprises and has published on various taxation topics in international journals. His main areas of research are related to International Taxation, Corporate Taxation, Taxation of the Digital Economy businesses, International Finance and Tax Risk Management. He holds a PhD in International Law & Economics from Università Bocconi and an LL.M. from the University of Michigan Law School. He also practices as a certified international tax attorney, and assists many multinational enterprises with complex cross-border corporate tax issues.

OTHER INFORMATION

Office hours: every Wednesday from 14.00-14.30 (please note that no office hours will take place on November 7, November 14, and December 12)

Contact details: gallevato@faculty.ie.edu

CODE OF CONDUCT IN CLASS

1. **Be on time:** : Students arriving more than 5 minutes late will be marked as “Absent”.

Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor).

2. **If applicable, bring your name card and strictly follow the seating chart.** It helps faculty members and fellow students learn your names.

3. **Do not leave the room during the lecture:** Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter and, therefore, will be marked as “Absent”.

Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).

4. **Do not engage in side conversation.** As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class.

If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as “Absent”.

5. **Use your laptop for course-related purposes only.** The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as “Absent”.

6. **No cellular phones:** IE University implements a “Phone-free Classroom” policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.

7. **Escalation policy: 1/3/5.** Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as “Absent.” IE University implements an “escalation policy”: The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.