TO BE UPDATED

Lingnan University
Department of Accountancy
Course Syllabus 2021-2022

Course Title	:	Why People Pay Taxes
Course Code	:	CLE9003
Recommended Study Year	:	Any
No. of Credits/Term	:	3
Mode of Tuition	:	Sectional Approach
Class Contact Hours	:	42 hours (3-hours lecture per week)
Category	:	Core Curriculum and the Cluster Course (Values, Cultures and Societies)
Prerequisite(s)	:	NIL
Co-requisite(s)	:	NIL
Exclusion(s)	:	NIL
Exemption Requirement(s)	:	NIL

Brief Course Description:

This course studies taxation issues from taxpayers' perspectives. It deals with the questions of "Why should people pay taxes?" and "Why do people pay taxes?" Thus, we examine (i) the values of taxation and the rationale for different kinds of tax (i.e. why should people pay different kinds of tax?) and (ii) how personal values, cultures, and tax morale affect tax compliance (i.e. why do some people pay taxes and some don't?). The course also discusses the decision-making process that accompanies taxpayers' commitment to tax law compliance. The study of tax laws and tax systems is further developed in the context of current events to find out the values behind different kinds of taxes or tax systems.

Aims:

This course aims to provide the main values and concepts of taxation to the students. In addition, impacts of taxation, factors affecting tax planning and compliance, and proper tax management will also be discussed.

Learning Outcomes (LOs):

On completion of this course, students will be able to:

1. describe the main principles and concepts of taxation as well as the types and impacts of taxation on societies,
2. describe the tax system in Hong Kong, and explain the unique features of the tax system,
3. explain the values of taxation and the tax responsibilities of individuals and institutions,
4. describe the principles and purposes of tax planning, and explain how to manage tax planning,
5. explain how the attitudes and perceptions of taxpayers affect their tax reporting behavior as well as the impacts of cultures, tax morale and tax systems on taxpayers' compliance with tax laws,
6. recognise and analyse taxation issues of current interest in society, including

comparison between different tax systems and tax ethics.

Indicative Contents:

Concepts, Types and Values of Taxation in Society
Principles and values of taxation;
Types of taxation (explicit tax vs. implicit tax; direct tax vs. indirect tax);
Impacts of taxation on the society and economy;
Tax base and factors affecting the tax base.

Comparisons between Different Tax Systems
Introduction to the various tax systems;
Values behind various kinds of taxes;
Green taxes in developing and developed countries;
Goods and services taxes in different jurisdictions;
Current tax issues.

Tax Policy and System in Hong Kong
Principal forms of taxation;
Unique features of Hong Kong taxation;
Advantages and disadvantages of Hong Kong tax system.

The Rationale for Alternative Taxes
Why should people pay different kinds of tax
What individuals pay (e.g., personal income tax; property tax; estate duty; stamp duty; capital gain tax)
Why should organizations pay different kinds of tax
What organizations pay (e.g., profits tax; business tax; indirect tax; implicit tax)

Is Everyone Paying Taxes? Tax Planning and Tax Evasion
Tax revenue and its impact on individuals;
Definitions, principles and purposes of tax planning;
Tax responsibilities, tax evasion and ethical considerations;
Impacts of personal values, cultures, tax morale and tax systems on tax compliance.

Teaching Method:

Class activities will include lectures and in-class exercises such as cases, team discussions, and student presentations of cases. A high level of student participation in the classes is encouraged.

Measurement of Learning Outcomes:

1. Assessed participation in classroom discussion measures the students' understanding of current tax policy, tax values, tax ethics and tax responsibility (LOs 1-4).
2. Regular individual assignments gauge the students' comprehension of tax principles and practice on a continuous basis (LOs 1, 3-4, 6).
3. A group assignment assesses students' ability to analyse and discuss tax compliance behavior, as well as their capability to work as a team (LOs 5).
4. A final group project is used to assess the students' comprehension of all aspects of the

course (LOs 1-6).

Assessment:

Continuous assessment:	%
- Participation	10
- Individual assignments	30
- Group assignment	10
Final Project	<u>50</u>
	<u>100</u>

Assessment for online mode:

If the University adopts the real-time online teaching mode, students will be required to submit their take-home assignments, mid-term exam and final exam answers online at the scheduled time.

Required/Essential Readings:

Carroll, J. S., "How Taxpayers Think About Their Taxes: Frames and Values." In *Why People Pay Taxes: Tax Compliance and Enforcement*, edited by J. Slemrod, The University of Michigan Press, 1992, pp.43-63.

Erard, B., "The Influence of Tax Audits on Reporting Behavior." In *Why People Pay Taxes: Tax Compliance and Enforcement*, edited by J. Slemrod, The University of Michigan Press, 1992, pp.95-114.

Alm, J. and B. Torgler. "Culture Differences and Tax Morale in the United States and in *Europe*", Center for Research in Economics, Management and the Arts.

HKSAR, *Consultation paper on Tax Reform*, 2006.

Supplementary Readings:

Chodorov, F., "Taxation is Robbery", *Out of Step: The Autobiography of an Individualist*. The Devin-Adair Company, New York, 1962, pp. 216-239.

Peddle, F., "Philosophies of taxation in contemporary society", Available at <http:www.crctax.tax.ca/papercon.htm>.

Scholes, M.S., M. A. Wolfson, M. Erickson, E. L. Maydew and T. Shevlin, *Taxes and Business Strategy: A Planning Approach*, 5th Edition, Prentice Hall, 2015.

Slemrod, J. and J. Bakija, *Taxing Ourselves*, 2nd Edition, MIT Press, 2000.

HKSAR, *Hong Kong Inland Revenue Ordinance*, Hong Kong Government Printer.

HKSAR, *Hong Kong Tax Cases*, Hong Kong Government Printer.

HKICPA, *A-Plus.*

Important Notes:
(1)　Students are expected to spend a total of 9 hours (i.e. 3 hours of class contact and 6 hours of personal study) per week to achieve the course learning outcomes.
(2)　Students shall be aware of the University regulations about dishonest practice in course work, tests and examinations, and the possible consequences as stipulated in the Regulations Governing University Examinations. In particular, plagiarism, being a kind of dishonest practice, is "the presentation of another person's work without proper acknowledgement of the source, including exact phrases, or summarised ideas, or even footnotes/citations, whether protected by copyright or not, as the student's own work". Students are required to strictly follow university regulations governing academic integrity and honesty.
(3)　Students are required to submit writing assignment(s) using Turnitin.
(4)　To enhance students' understanding of plagiarism, a mini-course "Online Tutorial on Plagiarism Awareness" is available on https://pla.ln.edu.hk/.

Participation

Performance level	Very good (over 80%)	Good (60-79%)	Acceptable (40-59%)	Poor (below 40%)
Listening skills (40%)	Student is always prompt and regularly attends classes. Student listens attentively when others present materials, perspectives, as indicated by comments that build on others' remarks, i.e., student hears what others say & contributes to the dialogue.	Student is rarely late to class and rarely misses classes. Student is mostly attentive when others present ideas, materials, as indicated by comments that reflect & build on others' remarks.	Student is sometimes late to class/ misses classes. Student is often inattentive and needs reminder of focus of class. Makes disruptive comments while others are speaking.	Student is often late to class and/or has poor attendance of classes. Does not listen to others; regularly talks while others speak or does not pay attention while others speak; detracts from discussion; sleeps, etc.
Quality of responses (60%)	Student always proactively contributes to class by offering ideas and asking questions. Comments always insightful & constructive; uses appropriate terminology. Comments balanced between general impressions, opinions & specific, thoughtful criticisms or contributions.	Student always proactively contributes to class by offering ideas and asking questions. Comments mostly insightful & constructive; mostly uses appropriate terminology. Occasionally comments are too general or not relevant to the discussion.	Student only sometimes contributes to class by offering ideas and asking questions. Student sometimes use appropriate terminology. Comments are sometimes constructive, with occasional signs of insight.	Student never contributes to class by offering ideas and asking questions.

Oral presentation - individual

Performance level	Very good (over 80%)	Good (60-79%)	Acceptable (40-59%)	Poor (below 40%)
Oral Presentation - Content (30%)	Comprehensive and accurate content. Clearly states major points and supports them by specific details, examples, and analysis.	Mostly accurate and persuasive content. Reasonably accurate and persuasive content. Clearly states most major points and supported them by examples or analysis.	Reasonably accurate and persuasive content. Identifies a few major points and supports them to some extent by specific examples or analysis.	Incomplete content. Fails to cover major points; or if covered, are not supported by specific examples or analysis.
Oral Presentation - Organization and conclusion (30%)	Well organized, clear and easily understood and presents in a logical manner. Includes effective introduction. Provides adequate background information and clear conclusion that flows logically from the presentation.	Includes most of the required information and presented in a reasonably organized fashion. Includes good introduction and provide some background information. Conclusion is well linked to the rest of the presentation.	Includes only half of the required information, or repeats information. Subject information jumps around and not presented clearly to enable audience to follow. Conclusion does not flow well from the presentation.	Presentation has no apparent logical order and difficult to follow. Provides little or no background information. Conclusion is inconsistent with the main points in the presentation.
Oral Presentation - Subject knowledge (20%)	Demonstrates full knowledge of the topic, with explanations and elaboration. Manages time effectively.	Demonstrates some knowledge of the topic, with adequate elaboration. Manages time reasonably effectively.	Demonstrates discomfort with the topic, with little elaboration. Manages time fairly effective.	Demonstrates limited knowledge with respect to the topic, without elaboration. Presentation is either too short or too long.
Oral Presentation - Presentation style and skills (20%)	Appropriately uses voice tone, pace, eye contact, and posture. Shows confidence and enthusiasm during entire presentation. Engages audience's interest very well. Creatively presents content.	Maintains eye contact most of the time, balanced posture, reasonable pace. Shows some enthusiasm and confidence. Good engagement with the audience. Creatively presents majority of the content.	Occasionally uses eye contact and posture. Voice is difficult to understand. Shows little enthusiasm and confidence. Little engagement with the audience. Little creativity in content.	Minimal eye contact, mumbled voice and little poise and composure. Shows little or no enthusiasm and confidence. Fails to engage the audience. Rely little on visuals to aid communication. No creativity in content.

Oral presentation - group

Performance level	Very good (over 80%)	Good (60-79%)	Acceptable (40-59%)	Poor (below 40%)
Oral Presentation - Content (30%)	Comprehensive and accurate content. Clearly states major points and supports them by specific details, examples, and analysis.	Mostly accurate and persuasive content. Reasonably accurate and persuasive content. Clearly states most major points and supported them by examples or analysis.	Reasonably accurate and persuasive content. Identifies a few major points and supports them to some extent by specific examples or analysis.	Incomplete content. Fails to cover major points; or if covered, are not supported by specific examples or analysis.
Oral Presentation - Organization and conclusion (30%)	Well organized, clear and easily understood and presents in a logical manner. Includes effective introduction. Provides adequate background information and clear conclusion that flows logically from the presentation.	Includes most of the required information and presented in a reasonably organized fashion. Includes good introduction and provide some background information. Conclusion is well linked to the rest of the presentation.	Includes only half of the required information, or repeats information. Subject information jumps around and not presented clearly to enable audience to follow. Conclusion does not flow well from the presentation.	Presentation has no apparent logical order and difficult to follow. Provides little or no background information. Conclusion is inconsistent with the main points in the presentation.
Oral Presentation - Subject knowledge (20%)	Demonstrates full knowledge by answering all questions with explanations and elaboration. All members equally contribute with excellent group coordination. Manages time effectively and included adequate time for Q&As.	Demonstrates some knowledge by answering at ease majority of questions, with adequate elaboration. Mostly equal contribution with good group coordination. Manages time reasonably effectively and included adequate time for Q&As.	Demonstrates discomfort with the questions and answered questions, with little elaboration. Only a few members contribute to the presentation. Manages time fairly effective and includes some time for Q&As.	Demonstrates limited knowledge with respect to the questions and answered questions without elaboration. Presentation is either too short or too long and includes inadequate/ no time for Q&As.

Oral Presentation - Presentation style and skills (20%)	Appropriately uses voice tone, pace, eye contact, and posture. Shows confidence and enthusiasm during entire presentation. Engages audience's interest very well. Creatively presents content.	Maintains eye contact most of the time, balanced posture, reasonable pace. Shows some enthusiasm and confidence. Good engagement with the audience. Creatively presents majority of the content.	Occasionally uses eye contact and posture. Voice is difficult to understand. Shows little enthusiasm and confidence. Little engagement with the audience. Little creativity in content.	Minimal eye contact, mumbled voice and little poise and composure. Shows little or no enthusiasm and confidence. Fails to engage the audience. Rely little on visuals to aid communication. No creativity in content.

Written assignments

Performance level	Very good (over 80%)	Good (60-79%)	Acceptable (40-59%)	Poor (below 40%)
Comprehension of all the relevant concepts (40%)	Comprehensive and accurate content. Clearly states major points and supports them by specific details, examples, and analysis.	Mostly accurate and persuasive content. Reasonably accurate and persuasive content. Clearly states most major points and supported them by examples or analysis.	Reasonably accurate and persuasive content. Identifies a few major points and supports them to some extent by specific examples or analysis.	Incomplete content. Fails to cover major points; or if covered, are not supported by specific examples or analysis.
Application of concepts to the problem posed (40%)	Appropriate concepts are all applied correctly	The central concepts are applied correctly and specifically, but some concepts are applied at too general a level or misapplied	Some concepts are applied correctly, but some misapplied	Most concepts are applied at too general a level or misapplied
Extent to which ideas are expressed logically, accurately and clearly (20%)	Expression of ideas is consistently accurate, logical and clear	Expression of ideas is comprehensible with some minor lapses	Expression of ideas is generally comprehensible but there are some major lapses	Largely incomprehensible with some major inconsistencies and errors

Final written report

Performance level	Very good (over 80%)	Good (60-79%)	Acceptable (40-59%)	Poor (below 40%)
Written Report - Content (40%)	Comprehensive and accurate content. Clearly states major points and supports them by specific details, examples, and analysis.	Mostly accurate and persuasive content. Reasonably accurate and persuasive content. Clearly states most major points and supported them by examples or analysis.	Reasonably accurate and persuasive content. Identifies a few major points and supports them to some extent by specific examples or analysis.	Incomplete content. Fails to cover major points; or if covered, are not supported by specific examples or analysis.
Written Report - Organization and conclusion (40%)	Well organized, clear and easily understood and written in a logical manner. Includes effective introduction. Provides adequate background information and clear conclusion that flows logically from the report.	Includes most of the required information and written in a reasonably organized fashion. Includes good introduction and provide some background information. Conclusion is well linked to the rest of the report.	Includes less than half of the required information. Subject information jumps around and not written clearly to enable reader to follow. Conclusion does not flow well from the report.	Report has no apparent logical order and difficult to follow. Provides little or no background information. Conclusion is inconsistent with the main points in the report.
Written Report - Writing style and skills (20%)	Almost entirely free of spelling, grammar, and punctuation errors. All references are cited correctly and completely.	Contains a few spelling, grammar, and punctuation errors. Most references are cited correctly.	Some spelling, grammar, and punctuation errors. Many citation errors.	Contains many spelling, grammar, and punctuation errors. Incomplete citations throughout report.