



**Law 577/PPOL 611.03 – Tax Policy  
Course Outline**

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|----------------------|--|-----------------|--|
| <b>Course:</b>       | Law 577/PPOL 611.03<br>Tax Policy  | <b>Term:</b>    | Winter 2017  |
|                      |  | <b>Section:</b> | 01   |
| <b>Time:</b>         | Fridays 9am-11:50am<br>NB: the first Tax Policy class will take place on <b>Friday, January 27 2017</b>  | <b>Place:</b>   | Nexen Technology and Conference Center, DTC<br>(Downtown Campus: 5th Floor, 906-8th Avenue SW) |
| <b>Instructor:</b>   | Saul Templeton   |                 |  |
| <b>Office:</b>       | Murray Fraser Hall, Room 4336  | <b>Cell:</b>    | 587-707-8430   |
| <b>Office Hours:</b> | After class and by appointment.<br>Meetings can be booked at my office in MFH or on the Downtown Campus at the Waves coffee shop on the ground floor of the downtown campus. | <b>E-mail:</b>  | <a href="mailto:saul.templeton@ucalgary.ca">saul.templeton@ucalgary.ca</a>                     |

This is a three credit course in a compressed 10 week term. **Part of your course credit is made up of a requirement that you book at least one meeting outside of class hours with the instructor to discuss your paper for the course.** See details of course evaluation, below.

**Course Materials:**

**Required Textbook(s):**

*Tax Policy in Canada* (Ed. Heather Kerr, Ken McKenzie & Jack Mintz) First Edition, McGraw-Hill Ryerson Ltd, 2012.

I strongly recommend, if you are a full time student, that you purchase this textbook directly from the Canadian Tax Foundation's website. A student price of \$25 (not including shipping) is available from the CTF website instead of the regular price of \$100. (The U of C bookstore cannot pass on the student discount to you.) The site to purchase the text with the student discount is here: [http://www.ctf.ca/ctfweb/EN/publications/product\\_detail.aspx?prod=TXPOL-STU&cat=Books](http://www.ctf.ca/ctfweb/EN/publications/product_detail.aspx?prod=TXPOL-STU&cat=Books)

The student discount is available to full time students only. If you are a part time student, you can either purchase an e-book version for \$50:

[http://www.ctf.ca/ctfweb/EN/publications/product\\_detail.aspx?prod=EB-TXPOL&cat=EBOOK](http://www.ctf.ca/ctfweb/EN/publications/product_detail.aspx?prod=EB-TXPOL&cat=EBOOK)

Or, part time students can buy the textbook at the regular list price at the U of C bookstore.

### **Desire2Learn:**

Desire2Learn, a web-based course management tool, will be used in this course. Students registered in this course can log in at: <https://d2l.ucalgary.ca/>. Note that D2L features a class e-mail list that will be used. I will use this email list to communicate with you as required. It is your responsibility to ensure that D2L uses the e-mail address of your choice.

### **Course Description and Objectives:**

Tax policy has far-reaching consequences for all areas of society, from the individual and the family unit, to the charitable and business sectors, to Canada's tax competitiveness in a global economy. Taxes pay for the regulatory and justice systems that protect private property rights and allow a market economy to function, for the provision of public goods like education, infrastructure and national defence, and for public protection of our individual rights and freedoms. Tax policy judgments are judgments about who ought to pay for these public goods, with the goal of designing a tax system that is equitable, efficient, and simple to administer. Tax policy also determines how public funds are spent through the tax system in the form of special tax credits and deductions that support recipients.

This course will cover the policy underpinnings of our personal income tax system, taxation of returns on investment, business taxation, and international taxation. The mechanics of these areas of taxation will be covered at a conceptual level, with a focus on the reasons underpinning the design of tax systems.

## Schedule of Topics

### **1 Tax Policy Objectives and Process**

#### **January 27, February 3**

- The structure of taxes and non-tax revenues raised by governments.
- Tax policy objectives: efficiency, equity and simplicity
- Tax Incidence
- Tax Policy Process

#### *Readings:*

- CTF book, chapter 1; skim chapter 3

- Neil Brooks, “[The Logic, Policy and Politics of Tax Law: An Overview](#)”: Sections 1, 3, 5-8, 10 (i.e., skip sections 2, 4 and 9)

## **2 Personal Income Taxation**

**February 10, 17**

- Progressive, regressive, and proportional taxation
- Income inequality
- Income splitting

*Readings:*

- CTF book chapter 4
- Lisa Philipps, “Discursive Deficits: A Feminist Perspective on the Power of Technical Knowledge in Fiscal Law and Policy”  
[http://digitalcommons.osgoode.yorku.ca/scholarly\\_works/399/](http://digitalcommons.osgoode.yorku.ca/scholarly_works/399/)

**NOTE: No class February 24 for Reading Week**

## **3 Taxation, Employment and Capital Income**

**March 3, 10**

- Forms of compensation
- Employment vs contracting out
- Pensions and retirement income

*Readings:*

- CTF book, Chapter 5 pages 1-17; 25-38
- Chapter 6: page 1; 6-25; 31-35.

## **4 Business Taxation**

**March 17, 24**

- The Role of the Corporate Tax
- Corporate-shareholder integration
- Organizational Choice

*Readings:*

- CTF Book, Chapter 7: pages 1-7; 16-24; 38-39 (to end of “Corporate Debt Policy: Debt Versus Equity”); 41-top of 45; 49-51.
- Chapter 6: pages 26-29.
- Kim Brooks, “Learning to Live with an Imperfect Tax: A Defence of the Corporate Tax” [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=729103](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=729103)

## 5 International Tax

### March 31, April 7

- International Taxation
- Tax crediting versus exemption systems
- Tax treatment of overhead costs (interest expense)
- Transfer Pricing
- Cross-border mergers and acquisitions

*Readings:*

- CTF Book, Chapter 12
- Skim Tax Justice Network, Briefing on Base Erosion and Profit-Shifting (BEPS) Implications for Developing Countries: <http://www.taxjustice.net/wp-content/uploads/2013/04/TJN-Briefing-BEPS-for-Developing-Countries-Feb-2014-v2.pdf>

## Other Course Details

### Grade Determination and Final Examination Details:

Marking will be based on the following:

**Participation (20%):** Students will be graded on participation, for attendance and for presenting as an assigned discussant in one class. Be prepared to discuss the readings for the date assigned. You may focus on a particular issue within the readings for that topic. You need not present for more than 5 minutes, but be prepared to participate in debate that may follow. I will be looking for your opinion on an issue of tax policy. The most interesting discussions will involve presenting and defending a position on tax policy.

You will also be expected to book at least one appointment outside of class time to discuss your paper for the course. Most students find it useful to approach the instructor to discuss a paper topic and receive feedback in any case. Failure to book and attend the appointment will result in

reduction of your participation grade by one full letter grade. (E.g., a B+ for participation would become a C+).

**Policy Paper (50%):** A paper (minimum 5000 words, MAXIMUM 6000 words) is due by **March 24** at 4pm in the student services office in Murray Fraser Hall. The topic is your choice, but must be chosen from material covered in this course. Please provide a one-page summary of your proposed topic by **February 10** for feedback and approval.

Papers should be properly prepared with title pages (with your student number), footnoting and references. JD students may count this paper as their Upper Year Writing Requirement.

Papers are graded according to content (50%), creativity (30%) and style (clarity, proper referencing, grammar, spelling etc.) (20%).

**Final Exam (30%):** The final exam for this course will take place on Wednesday, April 19 at 1pm. The duration of the exam will be two hours. All material covered in the class and in the assigned readings will be examinable.

|               |     |
|---------------|-----|
| Participation | 20% |
| Paper         | 50% |
| Final Exam    | 30% |

Grading for JD Students: The participation, research papers and final examinations of JD students will each be graded on the basis of a twelve-band scheme with the value of 4.3 accorded to the A+ for the purposes of calculating course grades:

|          |          |          |          |
|----------|----------|----------|----------|
| A+ = 4.3 | B+ = 3.3 | C+ = 2.3 | D+ = 1.3 |
| A = 4.0  | B = 3.0  | C = 2.0  | D = 1.0  |
| A- = 3.7 | B- = 2.7 | C- = 1.7 | F = 0.0  |

Grading for MPP Students: Letter grades as described in the Faculty of Graduate Studies Calendar (see section E.1 of Calendar online) will be given for all elements of grade determination noted above. The course grade will be determined based on a weighted average of those grades according to the percentages shown above. In the event that elements are marked on a numerical (percentage) basis, they will be converted to letter grades. As a guide to determining standing, the following letter grade equivalences will generally apply:

|    |        |    |       |    |       |
|----|--------|----|-------|----|-------|
| A+ | 97-100 | B  | 75-79 | C- | 60-62 |
| A  | 90-96  | B- | 70-74 | D+ | 55-59 |
| A- | 85-89  | C+ | 67-69 | D  | 50-54 |
| B+ | 80-84  | C  | 63-66 | F  | 0-49  |

**Notes:**

- It is the student's responsibility to be fully aware of the academic regulations outlined in the University Of Calgary Faculty Of Graduate Studies Calendar. (For MPP students). Provisions regarding Student Misconduct (plagiarism, cheating and other academic misconduct) will be strictly enforced.
- Intellectual Honesty: Plagiarism is an academic offence that the Faculty of Law and the University take very seriously. Be scrupulous to avoid presenting the ideas and work of others as your own. If you have any doubts about what constitutes plagiarism, please review the University of Calgary's Regulations on Plagiarism, Cheating and Other Academic Misconduct, online: <http://www.ucalgary.ca/pubs/calendar/current/k-2.html>

Please speak with me if you have any questions or concerns.

- Reappraisal/Exam: Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor within fifteen days of the work being returned to the class.

Examinations will not be given prior to the scheduled date.

- Religious/Spiritual Observance: The University of Calgary recognizes and respects the diversity of its members, including diversity of religious faiths and observances. Because of this it is understood that some students may not be able to attend classes, write tests or write final examinations on days of observance.

Please note that to arrange an alternative date or time for a final exam, students must submit an application accompanied by written evidence to the Associate Dean prior to the date of the examination. For law students, regulations on exam deferral for religious observance may be found in the Regulations of the Faculty of Law at para. 8(a)(i): <http://www.law.ucalgary.ca/jd-students/regulations>

The general University of Calgary policy on Religious/Spiritual Observance is available here:

<http://www.ucalgary.ca/pubs/calendar/current/e-4.html>

- Accessibility Services: The University of Calgary has a range of resources available to facilitate an accessible learning environment for students with disabilities including chronic health issues, physical, mental, psychiatric and learning disabilities, and impairments of a temporary nature due to accident, illness or injury. Students with disabilities requiring accommodation in the classroom or in the examination or evaluation process are encouraged to contact Student Accessibility Services as early possible to discuss the specific accommodations and supports required. Student Accessibility Services will work with students and administrators at the Faculty of Law to implement the required accommodations and supports. All requests for accommodation will be kept confidential. Please note that documentation of a disability is a requirement for accommodation.

The Student Accessibility Services website is here: <http://www.ucalgary.ca/access/>

For law students, the regulations on exam deferral to accommodate students with disabilities may be found in the Regulations of the Faculty of Law at para. 8(a)(i): <http://www.law.ucalgary.ca/jd-students/regulations>

The general University of Calgary policy for Students with Disabilities is available here: <http://www.ucalgary.ca/pubs/calendar/current/b-1.html>

- **Copyright:** All material used in this course is for the sole use of the individual and should not be recopied in either print or digital format. For copyright guidelines, including those relating to photocopying and electronic copies, please refer to the Association of Universities and Colleges of Canada (AUCC) fair dealing guidelines. <http://library.ucalgary.ca/copyright/fair-dealing>

- **Student Safety:** In the event of an emergency on campus students may be required to evacuate the building. The University of Calgary has designated Assembly Points in the event of an emergency. The University's policy on evacuation is here: <https://www.ucalgary.ca/emergencyplan/home/evacuation-assembly-points>

The designated Assembly Points are here:

<https://www.ucalgary.ca/emergencyplan/home/evacuation-assembly-points/assembly-points>

The University of Calgary has a twenty-four hour service to walk students to their destination on campus safely. Information about the Safewalk service can be found here: <http://www.ucalgary.ca/security/safewalk>

- **Freedom of Information and Privacy:** The University of Calgary complies with the requirements of the *Freedom of Information and Privacy Act*. The University's policy on the sharing of student information with third parties can be found here: <http://www.ucalgary.ca/legalservices/files/legalservices/pg-pi-of-students-to-3rd-parties.pdf>. The University's policy on the sharing of student information with the subject can be found here: <http://www.ucalgary.ca/legalservices/files/legalservices/pg-pi-of-student-to-subject.pdf>
- **Other University of Calgary Policies:** Specific regulations for the Faculty of Law, including faculty-specific regulations on assignments, exams, accommodations, appeals, etc., can be found here: <http://www.law.ucalgary.ca/jd-students/regulations>

Except where the Faculty of Law Regulations specify otherwise, all regulations and undergraduate deadlines of the University of Calgary apply to students in the Faculty of Law. The University of Calgary Calendar containing those regulations and deadlines can be found here: <http://www.ucalgary.ca/pubs/calendar/current/index.htm>, and Academic Regulations are here: <http://www.ucalgary.ca/pubs/calendar/current/academic-regs.html>

The University has a Student Ombuds office. Information about that Office can be found here: <http://www.ucalgary.ca/provost/students/ombuds>

The Law representative on the University Student Union can be contacted via e-mail at [lawrep@su.ucalgary.ca](mailto:lawrep@su.ucalgary.ca)

Graduate Students' Association Vice-President, Academic

Abu Abdelhafiz

Phone: 403-220-5997

E-mail: [gsavpa@gsa.ucalgary.ca](mailto:gsavpa@gsa.ucalgary.ca)

Graduate Students Association

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CANADA

Tel: 403 220-5997

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Emergency Assembly Point

Holiday Inn Lobby (weather permitting)

1020 8<sup>th</sup> Avenue SW

Calgary, Alberta T2P 1J2

Or remain at nearest exit point

Safewalk / Campus Security: 220-5333



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