



# Subject Outline

## **FPC006 Taxation for Financial Planning**



## Section 1 — General information

### 1.1 Administrative details

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Duration	Credit points	Level
One study period (12 weeks)	6	AQF8

### 1.2 Core or elective subject

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This is a core subject for the Graduate Diploma of Financial Planning and Master of Financial Planning.

### 1.3 Delivery mode

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This subject is delivered online.

### 1.4 Assumed knowledge

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Whilst there are no prerequisites for this subject, Kaplan assumes that students have completed FPC001B Economic and Legal Context for Financial Planning, FPC002B Ethics and Professionalism in Financial Advice, FPC003 Superannuation and Retirement Advice and FPC004 Insurance Advice or understand the content covered in those subjects, prior to undertaking FPC006 Taxation for Financial Planning.

### 1.5 Course transition subject equivalence

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Students may not be required to complete this subject if they have transitioned from a SIA/Finsia/Kaplan course and have completed the following subjects:

- there are no equivalences for this subject.

### 1.6 Work integrated learning

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There are no placements, internships or work experience requirements associated with undertaking this subject.

### 1.7 Other resource requirements

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Students do not require access to specialist facilities and/or equipment to undertake this subject.



## Section 2 — Academic details

### 2.1 Subject overview

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This subject focuses on the key principles of the Australian taxation system encountered in the provision of professional financial planning advice. It is designed to build advice capability in personal and business tax affairs and addresses concepts including taxation structures, taxable income, deductions, capital gains tax, fringe benefits tax, goods and services tax as well as professional standards and ethics.

This subject complies with Corporations (Relevant Providers — Education and Training Standards) Determination 2021, division 3, section 3-70 Specified course: taxation law.

### 2.2 Subject learning outcomes

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On successful completion of this subject, students should be able to:

1. Apply key concepts of tax residency, income from different sources, deductions and offsets
2. Compare and contrast the principles and financial outcomes of different tax categories and tax entities.
3. Critically evaluate the Australian tax system's framework, integrity measures and penalty provisions.
4. Critically analyse tax planning strategies in the provision of tax (financial) advice.

### 2.3 Topic learning outcomes

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#### Topic 1: Key taxation concepts

On successful completion of this topic, students should be able to:

- identify the taxpaying entities in the Australian tax system
- determine the residency status of a tax entity through the application of the appropriate tests and apply source rules to determine whether the Federal Commissioner of Taxation (FCT) has jurisdiction to tax.

#### Topic 2: Ordinary and statutory income

On successful completion of this topic, students should be able to:

- explain the concept of income according to ordinary principles and determine whether an amount would be assessable as ordinary income (OI)
- identify and distinguish between ordinary income, statutory income (SI), exempt income and non-assessable non-exempt income (NANE)
- distinguish statutory income from ordinary income and apply statutory provisions to determine whether an amount is statutory income.



### Topic 3: Capital gains tax (CGT)

On successful completion of this topic, students should be able to:

- explain, in detail, the application of the CGT provisions, including determining the timing of CGT event A1 (disposal of a CGT asset); the eligibility for CGT discounts; and the availability of the main residence exemption, including its application to investment properties and holiday homes
- determine the availability of CGT concessions for small businesses and calculate the exposure to CGT in common scenarios
- identify and consider the availability of possible CGT rollover relief for various transactions
- identify and explain the CGT consequences of deemed disposals and gifts
- identify and advise on the CGT consequences of death (estate planning).

### Topic 4: General and specific deductions

On successful completion of this topic, students should be able to:

- explain the principles of general deductibility and apply them to expenditures to determine whether they are deductible as a general deduction
- discuss and distinguish between general and specific deductions and be able to apply the law to calculate specific deductions, such as deductions under the uniform capital allowance provisions
- explain and advise on the tax and cash flow implications of negative gearing strategies
- apply the relevant law to determine the availability of tax losses for an entity.

### Topic 5: Tax offsets and personal income tax

On successful completion of this topic, students should be able to:

- establish the factors that determine the calculation of tax payable
- identify the credits, rebates and offsets that are applicable to calculate taxation liability
- discuss the impact of franked dividends and foreign-sourced income.

### Topic 6: Superannuation and remuneration planning

On successful completion of this topic, students should be able to:

- explain the benefits associated with remuneration packaging, including calculating the after-tax position of a salary sacrifice arrangement
- distinguish between the taxation of superannuation contributions, and earnings and benefits (including death benefits)
- explain the tax treatment of employment termination payments (ETPs) and calculate the associated tax liability of each type of payment
- explain the rationale behind fringe benefits tax (FBT) and be able to calculate the fringe benefits tax liability for common fringe benefits such as cars and low interest loans.



### Topic 7: Business entities

On successful completion of this topic, students should be able to:

- explain and demonstrate the application of the tax system to sole traders, partnerships, trusts and companies, including the calculation of partnership and trust net income and company taxable income
- describe and explain the nature of payments made from business structures to associated entities, including investors
- demonstrate an understanding of the tax planning opportunities associated with income splitting entities such as partnerships and trusts
- exhibit an understanding of the dividend imputation system.

### Topic 8: Goods and services tax (GST)

On successful completion of this topic, students should be able to:

- demonstrate an understanding of input taxed, GST-free and taxable supplies
- identify whether GST applies to financial and tax advice services.

### Topic 9: Integrity measures, tax avoidance and penalties

On successful completion of this topic, students should be able to:

- explain the differences between tax planning, tax avoidance and tax evasion
- recognise the role of the Part IVA general anti-avoidance provisions
- recognise and explain the tax consequences of integrity measures such as prepaid expenses, deemed dividends and the promoter penalty provisions
- determine whether a taxpayer falls within the administrative penalty provisions so that the issue can be referred to a tax agent.

### Topic 10: Tax and advice professional frameworks

On successful completion of this topic, students should be able to:

- demonstrate an understanding of the administrative aspects of the Australian tax system, including the role of stakeholders such as the Australian Taxation Office (ATO), the Inspector-General of Taxation (IGT) and the Tax Practitioners Board (TPB)
- explain the objection and tax dispute procedures available to taxpayers and where clients can access these services
- establish a set of references to assist clients in accessing the services of a tax agent.



## 2.4 Assessment schedule

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Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Quiz 1	Multiple-choice questions	Week 5	1–4	10%	LO1–LO3
Assignment 1	Case study, short- and long-answer questions	Week 7	1–6	40%	LO1–LO4
Quiz 2	Multiple-choice questions	Week 10	5–8	10%	LO2–LO5
Assignment 2	Case study, short- and long-answer questions	Week 12	1–10	40%	LO1–LO7

Please refer to our website <[www.kaplanprofessional.edu.au](http://www.kaplanprofessional.edu.au)> to review student policies relating to your assessment, including the *Kaplan Assessment Policy* and *Academic Integrity and Conduct Policy*.

## 2.5 Prescribed text

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There is no prescribed text for this subject. Students are provided with key readings and access to Kaplan’s online databases. Students are encouraged to research and read widely on the topic.

## 2.6 Study plan

Week(s)	Topic name	Study load in hours
1	Topic 1: Key taxation concepts	9
2	Topic 2: Ordinary and statutory income	8
3	Topic 3: Capital gains tax (CGT)	8
4	Topic 4: General and specific deductions	8
5	Topic 5: Tax offsets and personal income tax <b>Quiz 1 (Weighting 10%)</b>	10 3
6	Topic 6: Superannuation and remuneration planning	12
7	<b>Assignment1 (Weighting 40%)</b>	13
8	Topic 7: Business entities	10
9	Topic 8: Goods and services tax (GST)	8
10	Topic 9: Integrity measures, tax avoidance and penalties <b>Quiz 2 (Weighting 10%)</b>	8 3
11	Topic 10: Tax and advice professional frameworks	8
12	<b>Assignment 2 (Weighting 40%)</b>	12
<b>Total minimum study load</b>		<b>120 hours</b>

Additional study hours (if required), dependent on knowledge and personal commitments	60 hours
<b>Total study load, including additional study hours</b>	<b>180 hours</b>