

Value Added Tax

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Tuesday (8:15-10:15 a.m.)

(Jan. 13 through Feb. 18)

2-credits

Office Hours : Tuesday 10:20 a.m. to 11:20 a.m

Primary Text:

Alan Schenk, Victor Thuronyi & Wei Cui, Value Added Tax: A Comparative Approach, 2nd edition, Cambridge Tax Law Series, 2015.

Secondary Materials and Additional Cases:

During the course students will be provided with additional cases (hard copy and web based) to consider along with the primary text.

Objectives/ Learning Outcomes:

(a) Knowledge/ understanding of substantive and procedural law - this course undertakes a detailed examination of global consumption tax regimes, with a primary focus on Value Added Taxation (VAT) in the European Union. It will however, not be limited to the EU VAT, as important variations outside the EU will also be considered. The Canadian and New Zealand GSTs as well as the Israeli and Brazilian VATs will provide important contrasts. The student should expect to acquire broad familiarity with global indirect taxation systems in sufficient depth to allow him/her to participate in international tax compliance and planning dialogues in a corporate context.

(b) Legal analysis and reasoning/ research/ problem solving with written and oral communication in a legal context – this course will also introduce students to current research efforts directed at solving (with technology and statutory reforms) some of the major frauds (Missing Trader frauds) in the EU and similar VATs.

(c) Exercise of professional/ethical responsibilities to clients – this course will teach, and measure the internalization of professional responsibilities consistent with the defense of individuals being extradited from the US for criminal and civil violation of VAT statutes overseas.

(d) Other professional skills for competency and ethical participation in professional activities – this course will expose students to the developing technology interface essential for competent practice in this specialty. In particular the application of blockchain technology and Bitcoin-like cryptocurrencies in consumption tax enforcement will be considered. In this context the critical importance of technological advances (both for internal compliance measures, and government enforcement) will be examined.

Class Participation.

ABA Standard 310 requires that students devote 120 minutes to out-of-class preparation for every “classroom hour” of in-class instruction. Accordingly, you will have about 60 pages of reading each class. Because the course includes statutory and regulatory excerpts that require careful reading, as well as discussion problems that require thoughtful advance written preparation, you should spend at least one hour on every 10-15 pages of reading.

I expect you to come to class having read the materials, completed any required pre-class assignments, and generally prepared to engage in class discussions.

Attendance Requirements.

Pursuant to the law school and ABA regulations, students are required to attend class regularly. It is your responsibility to keep track of your absences. Attendance will be taken at the beginning of each class. Absences for observance of religious holidays are excused. Please let me know, if you plan to miss a class. Requirements for class attendance and make-up exams, assignments, and other work in this course are consistent with University policies that can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>.

Classroom Behavior. You are all bound by the University Student Code of Conduct, the College of Law Honor Code, and the rules for this course. Proper conduct in the classroom is necessary to allow everyone to participate in, to derive benefit from, and to enjoy the class. Any unprofessional, disrespectful, harassing, disruptive, or distracting conduct that has a negative effect on the classroom atmosphere is prohibited. The Honor Code (<https://sccr.dso.ufl.edu/students/student-conduct-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions..

Laptop Policy: *You are allowed to use a laptop computer during class only for taking notes and for accessing materials in electronic formats (e.g., readings not included in the adopted textbooks, Court of Justice decisions and other materials). You are not allowed to access the internet using any device (including telephones) during class.* All electronic devices should be turned off during class.

Statement Related to Accommodations for Students with Disabilities. Students requesting classroom accommodation must first register with the Office of Disability Resources. The UF Office of Disability Resources will provide documentation to the student who must then provide this documentation to the Law School Office of Student Affairs when requesting accommodation.

Final exam:

You are expected to write a final paper on Value Added Tax subjects and **your final paper is due on May 1st, 2022.**

Your final paper Guidelines:

- 1- Your topic must be approved by me before you begin your research.
- 2- Your paper should have a clear and unambiguous thesis.
- 3- The title page should include:
 - The title of the paper;
 - Your name;
 - Your email address;
 - Your student ID;
 - and instructor's name.
- 4- Your final paper must be:
 - Single-column;
 - One-inch margins;
 - 12-point size, font Times New Roman;
 - Double-spaced;
 - 10-15 pages length, excluding the title page;
 - References and well-marked appendices;
 - and inserting page numbers at the bottom center [footer].
- 5- All papers must be submitted as a MS Word document.
- 6- Plagiarism will not be tolerated in this course. Be certain that you know how to cite your sources.
- 7- Your Final paper must be emailed to musaad@ufl.edu no later than the due date.

Evaluation.

Your grade will be based on your final (90%) adjusted by class participation (10%).

The law school assigns the following values to each grade:

<u>Grade</u>	<u>Points</u>
A (Excellent)	4.00
A-	3.67
B+	3.33
B (Good)	3.00
B-	2.67
C+	2.33
C (Satisfactory)	2.00
C-	1.67
D+	1.33
D (Poor)	1.00
D-	0.67
E (Failure)	0.00

The law school grading policy is available at: <http://www.law.ufl.edu/student-affairs/current-students/academic-policies#9>.

Class #	Topic	Pages
1 January 18	<ul style="list-style-type: none"> • Introduction to VAT – consumption taxes, direct v. indirect taxes, proliferation of VATs • Questions: 1, 2, 3, 4 & 6. 	Chapter 1
2 January 25	<ul style="list-style-type: none"> • Forms of Consumption-Based taxes & Altering the Base • Questions 1, 7, 8 & 9 • Varieties of VAT in use: EU, Japan & New Zealand. 	Chapter 2 & 3
3 February 1	<ul style="list-style-type: none"> • Registration, Taxpayer & Taxable Business Activity • Questions 1, 3, 6 & 9 • Taxable Supplies of Goods & Services and Tax Invoices • Consideration, supply, single/ mixed supplies, vouchers. • Questions 1, 2, 3 & 4. 	Chapter 4 & 5
4 February 8	<ul style="list-style-type: none"> • Tax Credit Mechanism. Credit for purchases, Excess input credits • Used property, Post-sale price adjustments, Casual sales by consumers • Questions 1, 2, 3 & 4 	Chapter 6
5 February 15	<ul style="list-style-type: none"> • Cross-border aspects of VAT, and dealing with the Service Sector. Place of supply rules. The mobile service industry. • International trade & OECD project on services and intangibles. [COM/2016/811 • Questions 1, 2, 3 & 4 	Chapter 7
6 February 22	<ul style="list-style-type: none"> • Timing & valuation rules (accrual, hybrid, cash methods; taxable period; special rules) • Valuation rules • Questions 1, 2 & 3 • Zero-rating & Exemption 	Chapter 8 & 9

	<ul style="list-style-type: none"> • Single price among multiples supplies • Triangular transactions (A-B-C) • Government entities & Non-profits • Questions 1, 2, 3 & 5 	
7	<ul style="list-style-type: none"> • VAT Evasion & Avoidance 	Chapter 10
March 1	<ul style="list-style-type: none"> • Single state v. cross-border frauds • MTIC, MTEC, terrorist funding issues 	
March 8	<ul style="list-style-type: none"> • NO CLASS - Spring Break 	
8	<ul style="list-style-type: none"> • Financial services 	Chapter 11
March 15		
9	<ul style="list-style-type: none"> • Islamic Financial services 	Chapter 11
March 22		
10	<ul style="list-style-type: none"> • Insurance and Real Property. Life/ casualty/ property insurance. 	Chapter 12 & 13
March 29	<ul style="list-style-type: none"> • Questions 12-1 & 12-2; 13-2 & 13-3 	
11	<ul style="list-style-type: none"> • Technology adoption 	
April 5		
12	<ul style="list-style-type: none"> • Review 	
April 12		
13	<ul style="list-style-type: none"> • Review 	
April 19		