

## BUSINESS TAX

### COURSE DETAILS

<b>Code</b>	36275
<b>Degree</b>	Degree in Business Management
<b>Mention</b>	Business creation and management
<b>Character</b>	Basic Training
<b>Year</b>	3rd
<b>ECTS</b>	4.5

### PROFESSORS

<b>Name</b>	<b>Departament</b>	<b>Tutorials</b>
Rodríguez Collell, Vicente Antonio	Tax	Tuesdays from 08:00 to 09:00 (By previous appointment)

### SUMMARY

"Business Tax" is a basic course of 4,5 credits ECTS. It is scheduled during the first semester of year 3. Along with "Introduction to Taxation", it comprises the Course of Study "Taxation", enclosed in the Module "Entorno Económico y Marco Jurídico".

The subject contributes severely to the main objective of the Degree in ADE: training professionals to be able to develop roles of responsibility within companies and entities: management, financing, investment, accounting, administration, etc. It also provides essential knowledge to act professionally in the fields of economic consultancy or financial investing.

The knowledge of the main basis of taxation is really useful to have a complete outlook of the corporate needs, since tax aspects are considered in every relevant decision of management and investment.

In this regard, the subject has great interest for the professional future. Moreover, the concepts of the subject have direct application in the daily practice. From the very first session, students will appreciate that the tax burden is present at every economic act: sales, obtaining of incomes, withholdings, etc.

The main objective of this course is to provide students with enough elements to detect when taxes have to be considered to make economic decisions. In order to achieve it, the subject will include the following contents: financing of the Public Administration, the settlement of the Spanish taxation in the European frame, taxes in Spain with a special reference to the Corporate Tax, and also in combination and

developing the knowledge previously obtained when studying "Introduction to Taxation" about Personal Income Tax (IRPF) and the Value Added Tax (IVA), and how to interact with the Tax Administration either on-line or by using in-person resources. The subject is specially focus in the "Small size companies Special Regime", not in vain are the most common in our country.

## **PRIOR KNOWLEDGE**

### **Restriction of registration**

Restrictions are not defined with other subjects.

### **Other requirements**

The course will be taught in English. Therefore, a good level of understanding, writing and talking in English will be necessary.

## **COMPETENCES**

### **GENERAL COMPETENCES:**

- GI.1 – Analysis and synthesis.
- GI.4 – Capacity to use English professionally.
- GI.6 – Ability to analyse and look for information from different sources.
- GI.7 – Problem-solving capacity.
- GI.8 – Decision making.
- GP.1 – Teamwork.
- GP.3 – Critic and auto critic thinking.
- GS.1 – Self-study.
- GS.3 – Creativity.

### **SPECIFIC COMPETENCES:**

- EG.1 – Having an interdisciplinary knowledge of the company and its social, economic, institutional and legal environment, and also of the basic elements of the process of management such as organization and administration, accounting, taxation, operations, human resources, marketing, and financing and investment.
- EA.8 – Having a capacity for defining, solving and exposing systematically complicated problems.
- EA.22 – Knowing the legal subjects and institutions that have more influence in the economic life.
- EA.48 – Knowing the different ways of paying the shareholders and its effects in the value of companies.
- EA.78 – Being familiarized with the Spanish legal taxation framework, with an especial reference to companies.
- EA.79 – Having the capacity for understanding and anticipating tax problems of companies.
- EA.80 – Understanding the relation between taxation and corporate decision

- making.
- EA.81 – Knowing the international aspects of taxation and its effects in companies.

## LEARNING OUTCOMES

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

- Get to know the language and environment of taxation.
- Know the structure of the Spanish Tax System and how the Public Administration is financed.
- Have basic knowledge to analyse the tax consequences in the decisions made by companies.
- Fill returns of the Corporate Tax (IS).
- Apply the tax benefits included in the IS for economic activities, and especially for entrepreneurs and Small Size Companies.
- Use the on-line resources of the Tax Administration.
- Meet basic requirements of the Tax Administration related to IS.

## COURSE CONTENTS

### **1. LESSON 1. CORPORATE TAX. CONCEPT AND CHARACTERISTICS**

- 1.1. Objectives of Corporate Tax.
- 1.2. Corporate Tax and other taxes over the income in Spanish Tax System.
- 1.3. The obtaining of Income and the application of assumptions. The study of the P&L. Accountancy Basics review.
- 1.4. Companies with tax residence in Spain.
- 1.5. Structure of Corporate Tax

### **2. LESSON 2. CORPORATE TAX. TAX BASE AND SPECIFIC RULES FOR THE DETERMINATION OF THE INCOME FROM BUSINESS ACTIVITIES IN PERSONAL INCOME TAX (IRPF)**

- 2.1. Calculation of net Income for Corporate tax purposes. Relationship between profit in books and VAT. Accounting requirements.
- 2.2. Temporary allocation of income and expenses. Tax and accounting criteria.
- 2.3. Liabile Income and deductible expenses. General and specific requirements. Deductibility of financial expenses.
- 2.4. Amortization. Principles. Systems based on effective depreciation. Accelerated depreciation and other tax incentives

- for small size companies depreciation. Financial Leasing Regime.
- 2.5. Impairment adjustments.
  - 2.6. Rules to value operations to its normal market value. Related-party transactions and other operations.
  - 2.7. Revaluations, updates and Price level restatement.
  - 2.8. Reductions and other tax base adjustments.
  - 2.9. Taxable losses compensation.

### **3. LESSON 3. CORPORATE TAX. TOTAL TAX, TAX PAYABLE AND TAX LIABILITY.**

- 3.1. Tax rates application.
- 3.2. Deductions and tax credits to avoid double taxation.
- 3.3. Deductions to incentivize certain activities in Corporate Tax. Application to individuals.
- 3.4. Withholdings and payments on account.

## **WORKLOAD**

<b>PRESENIAL ACTIVITIES</b>	<b>HOURS</b>
Lectures, including exams.	15.0
Practical sessions, including external and complementary activities	30.0
<b>Total Presential Activities</b>	<b>45</b>
<b>NON-PRESENIAL ACTIVITIES</b>	
Self Study	30,0
Resolution of practical cases (jointly and individually)	25,0
Complementary reading of economic press	5,0
Preparation of lessons before sessions	7,5
<b>Total Non-Presential Activities</b>	<b>90</b>
<b>TOTAL</b>	<b>112,5</b>

## **TIMELINE**

<b>LESSON / PRACTICE</b>	<b>SESSION</b>
Lesson 1.1 -1.2	Session 1
Lesson 1.3-1.4	Session 2
Lesson 1.5	Session 3
Lesson 1 Exercises	Session 4
Lesson 1 Exercises	Session 5
Lesson 1 Exercises	Session 6
Lesson 1 Exercises	Session 7
Lesson 2.1-2.2	Session 8
Lesson 2.3 -2.4	Session 9

Lesson 2.5-2.6	Session 10
Lesson 2.7-2.8	Session 11
Lesson 2.9	Session 12
Lesson 2 Exercises	Session 13
Lesson 2 Exercises	Session 14
Lesson 2 Exercises	Session 15
Lesson 3.1-3.2	Session 16
Lesson 3.3 -3.4	Session 17
Lesson 3 Exercises	Session 18
Lesson 3 Exercises	Session 19
Lesson 3 Exercises	Session 20
Lesson 3 Exercises	Session 21
Lesson 3 Exercises	Session 22

## TEACHING METHODOLOGY

The following methodologies will be used along the course:

Each session will comprise a mixture of technical lectures, resolution of practical exercises, student oral presentations (individual and in groups), and brainstorming regarding news related to taxation appeared in newspapers and social media.

Technical lectures:

- Previous to each session, students should have read the applicable Law, the class presentations of technical concepts provided by the teacher and any other additional information that may be suggested.
- Prior to the start of the lecture, some students will be asked to summarize the content of the previous sessions.
- The technical lectures will concentrate the most relevant aspects of each lesson. The lectures will be participative, and will try to solve all doubts arisen by students.

Practical exercises:

- Students will have to resolve and summarize in one sheet (usually individually and, occasionally, in groups), at least, one practical exercise per lesson. In every lesson, the teacher will require the written resolution of the exercises to 8 students.
- The correction of each practical exercise will be presented to the rest of the class by a student or a group of students randomly selected.

Review of news related to taxation

- In every lesson, students will have to look for news in the social media and newspapers related to the content of the lesson. Students will be randomly required to comment the news to the rest of the class and give their opinion regarding such news.

Use of tax returns

- After finishing the block of lessons referring to Corporate Tax, students will be required to fill a tax return of such taxes by using the on-line resources of the Tax Administration. The tax returns will be given to the teacher for its correction.

## **EVALUATION CRITERIA**

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There are 2 examination sessions\* in each course.

#### **FIRST EXAMINATION SESSION**

The course will be graded according to the following scheme:

- **CONTINUOUS EVALUATION (40%)**

##### **CLASS PARTICIPATION (12,50% out of 40,00%)**

Attendance and participation is essential and all students are expected to participate. Intelligent and relevant discussions are expected from each student and it is an important part of the general evaluation of the course. Among other skills, class participation is very important to develop the ability to express and defend one's ideas.

##### **HOMEWORK (18,75% out of 40,00%)**

Assignments are defined in order to cover all the concepts and learning take-aways. All the assignments will be prepared in group. The assignments will be due before the start of each session. An exercise team schedule will be provided during the first week of class.

##### **PARTIAL EXAMS (68,75% out of 40,00%)**

3 partial exams will be carried out during the course.

- **EXAMS (60%)**

One exam will be conducted along the program, but it will be properly announced. Only chapters of the book and concepts which have already been covered will be subject to examination.

\* Each registration allows two calls of exam.

In order to pass the course, the student must obtain at least 5 points out of 10 in the exam.

Final grade will be a weighted average of exam and continuous evaluation and must be greater than 5:  $(0,6 \cdot \text{exam} + 0,4 \cdot \text{continuous evaluation})$ .

The maximum amount of marks is 10. Final grades will be a weighted average of all the components listed above, having to obtain a final grade of 5 (or more) to surpass the subject. However, if the exam is failed, the final mark

obtained after applying the prior weighting will be a maximum of 4.5. Thus, if the exam is less than 5 and after applying the weighting the final mark is greater than 4.5, it will remain at that 4.5. If, on the other hand, this grade is less than 4.5, the grade obtained will be maintained.

### **CLASS ATTENDANCE**

Class attendance is compulsory for the appropriate understanding of the course. Unjustified absences above 15% of the total number of sessions will imply that the student will not obtain any grade for the continuous evaluation process. As consequence, the final grade will be calculated applying 60% over the exam.

Students must comply with the minimum spelling, grammar and writing standards when producing their works and exams. These formal aspects will be considered in its subsequent evaluation.

### **SECOND EXAMINATION SESSION NOTICE**

Students failing in first examination session will have a second examination date. Continuous evaluation (40% of total grade) requires attendance and participation and therefore will not be recoverable. As a consequence, the student will maintain the grade received in first examination session.

### **STUDENTS WHO ARE ENROLLING FOR A SECOND TIME:**

Students failing in first and second examination and not repeating grade, and who enroll for a second time will be graded according to the following scheme:

- **CONTINUOUS EVALUATION (20%)**

#### **HOMEWORK (30,00% out of 20,00%)**

Assignments are defined in order to cover all the concepts and learning take-aways. All the assignments will be prepared in group. The assignments will be due before the start of each session. An exercise team schedule will be provided during the first week of class.

#### **PARTIAL EXAMS (70,00% out of 20,00%)**

3 partial exams will be carried out during the course.

- **EXAMS (80%)**

One exam will be conducted along the program, but they will be properly announced. Only chapters of the book and concepts which have already been covered will be subject to examination.

\* Each registration allows two calls of exam.

In order to pass the course, the student must obtain at least 5 points out of 10 in the exam.

Final grade will be a weighted average of exam and continuous evaluation and must be greater than 5:  $(0,8 * \text{exam} + 0,2 * \text{continuous evaluation})$ .

## REFERENCES

### Mandatory legal texts

- Ley 58/2003, de 17 de diciembre, General Tributaria.
- Ley 27/2014 de 27 de noviembre del Impuesto sobre sociedades.
- Real Decreto 634/2015, de 10 de julio. Reglamento del Impuesto sobre Sociedades.

### Additional resources

- **PLA VALL, A. y SALVADOR CIFRE, C.** (2019): Impuesto de Sociedades. 18ª edición, Tirant lo Blanch, Valencia.
- **Borrás Amblar, Fernando; Navarro Alcázar, José Vicente.** Impuesto sobre Sociedades. Régimen general. Comentarios y casos prácticos 2016. Centro de Estudios Financieros.
- **Agencia Tributaria (2020): Manual práctico Sociedades 2020.** Ministerio de Hacienda y Administraciones Públicas, Madrid. A copy can be downloaded in pdf format in the Tax Administration webpage: [www.aeat.es](http://www.aeat.es)