



# Subject Outline

## **FPC006 Taxation for Financial Planning**

## Section 1 — General information

### 1.1 Administrative details

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Associated higher education awards	Credit points	Level
Graduate Diploma of Financial Planning Master of Financial Planning	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. Explain the role of key stakeholders in the Australian taxation system.
2. Classify and apply concepts of income, expenses, rebates and offsets in calculating tax outcomes.
3. Interpret and communicate taxation issues and strategies in the provision of financial planning advice.
4. Calculate and evaluate employee remuneration arrangements.
5. Compare and contrast the tax treatment of different entities.
6. Analyse situations which may lead to the application of integrity measures and penalty provisions.
7. Explain and reflect on the role of ethical, professional and legal standards in providing tax (financial) advice.

### 2.3 Topic learning outcomes

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#### Topic 1: Tax assessment and residency

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 and apply the appropriate tests and rules to determine whether the Commissioner of Taxation (the Commissioner) has jurisdiction to tax.

## Topic 2: Classification of 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)
- explain and distinguish between ordinary income (OI), statutory income (SI), exempt income (EI) and non-assessable, non-exempt income (NANE)
- apply statutory provisions to determine whether an amount is statutory income (SI).

## Topic 3: Capital gains tax (CGT)

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

- explain and apply capital gains tax (CGT) provisions
- identify and apply small business CGT concessions and rollover relief for various transactions to minimise CGT liabilities
- evaluate CGT implications for asset transfers
- identify and explain the CGT implications for asset transfers upon death, including strategies for 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 qualify as general deductions
- distinguish between general and specific deductions and apply the law to calculate specific deductions
- apply the relevant law to assess an entity's eligibility for tax losses.

### Topic 5: Personal income tax and offsets

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

- identify the key factors that influence the calculation of tax payable
- analyse the credits, rebates and offsets applicable in determining tax liabilities
- discuss the impact of franked dividends and foreign-sourced income on personal income tax.

### Topic 6: Remuneration packaging, taxation of fringe benefits and superannuation

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
- explain and calculate the tax treatment of employment termination payments (ETPs)
- explain fringe benefits tax (FBT) and calculate the liabilities for common fringe benefits such as cars and low interest loans
- distinguish between the taxation of superannuation contributions, and earnings and benefits (including death benefits).

### Topic 7: Goods and services tax (GST)

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

- identify input taxed, GST-free and taxable supplies
- apply GST to various services, including financial and tax advice services.

### Topic 8: Taxation of business entities

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

- apply the rules of the tax system to sole traders, partnerships, trusts and companies and calculate partnership and trust net income and company taxable income
- explain the nature of payments made from business structures to associated entities, including investors
- discuss tax planning opportunities associated with income splitting entities such as partnerships and trusts
- explain the dividend imputation system.

### Topic 9: Tax compliance, integrity and professional frameworks

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

- explain the differences between tax planning, tax avoidance, and tax evasion, including the application of anti-avoidance measures such as the Part IVA provisions.
- analyse the consequences of measures like prepaid expenses, deemed dividends, and promoter penalty provisions, and determine when administrative penalty provisions apply.
- discuss roles and responsibilities of key stakeholders such as the ATO, Inspector-General of Taxation, and Tax Practitioners Board.
- explain the available objection and tax dispute procedures and provide guidance on how clients can access professional tax advisory services.

## 2.4 Assessment schedule

Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Quiz 1	Multiple-choice questions	Week 5	1–3	20%	LO1–LO3
Assignment 1	Case study, short- and long-answer questions	Week 8	2–5	40%	LO2–LO5
Assignment 2	Case study, short- and long-answer questions	Week 12	1–9	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

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: Tax assessment and residency	10
2	Topic 2: Classification of income	10
3	Topic 2: Classification of Income + Topic 3: Capital gains tax (CGT)	10
4	Topic 3: Capital gains tax (CGT)	10
5	Topic 4: General and specific deductions <b>Quiz (Weighting 20%)</b>	15
6	Topic 5: Personal income tax and offsets	5
7	Topic 6: Remuneration packaging, taxation of fringe benefits and superannuation	5
8	<b>Assignment 1 (Weighting 40%)</b>	10
9	Topic 6: Remuneration packaging, taxation of fringe benefits and superannuation + Topic 7: Goods and services tax (GST)	10
10	Topic 8: Taxation of business entities	10
11	Topic 9: Tax compliance, integrity and professional frameworks	10
12	<b>Assignment 2 (Weighting 40%)</b>	15
<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>