1- SUBJECT DESCRIPTION

This is a general compulsory course for your grade. Taxation is a branch of what is defined as Public Law, as opposed to Private Law, and is very connected with many Law areas like Criminal Law (not paying taxes can send you to jail), Civil or Common Law (inheritance, acquisitions), Commercial Law (taxation is key at corporate world), Administrative Law (law procedures with Public administrations), Constitutional Law (it may affect fundamental rights) and so on.

Traditionally, we could divide a course of taxation in two parts: the general one which refers to the essential concepts of tax administration and public finance and the special one which is more linked to the specific taxes. In this course we will focus on the general part so we will analyse the basic scheme of a taxation system.

The course will provide a detailed analysis of the most fundamental structural elements of a tax system, the reason why there is a public intervention in the market economy and will review the key tax concepts in an international environment.

2- OBJECTIVES AND SKILLS

The course will provide a detailed analysis of the most fundamental structural elements of a tax system, the reason why there is public intervention in the market economy and will review the key tax concepts in an international environment.

This course rests on the premise that most lawyers (or future lawyers) who need to know about taxation will not themselves be full-time tax lawyers. Rather, they will be lawyers engaged in a general or business practice that from time to time will involve, directly or indirectly, taxation issues, whether the lawyers realize it or not. The latter situation -lawyer ignorance of the tax implications of what they do- occurs all too frequently. Too many lawyers fail to recognize taxation issues when they arise, and so find themselves - and worse-, their clients faced with taxation problems.

Based on the above, below there is a list with some of the different goals and skills that each student will develop:

GENERAL

- To provide an essential view about what public finance means in all aspects
– To understand the basic scheme of taxation (why, on what, when, on who and how much)
– To be able to understand the different kind of taxes and their rationality
– To know in certain detail several comparative tax systems and to be able to compare between themselves

SPECIFIC
– To be able to read in a comprehensive way any tax law or ruling (domestic or international) and to properly interpret it
– To be able to understand autonomously a tax return or assessment
– To be able to provide basic tax advice on any tax matter and to understand more complex tax issues
– To obtain appropriate skills (e.g.: specific language, commonly used acronyms, relevant organisms, etc.) related to taxation

3- CONTENT

PART I

SESSION 1

Introduction to the course
• Why taxation?
• Timetable
• Objectives of the course
• Methodology
• Rules of the game
• Materials
  o Book references
  o Other references

SESSION 2

The Public sector and the market failures
• Legal framework
• Concept
  o Economic activity
  o Public economy
  o Finance activity
• Evolution
• Delimitation
• Objectives
• Agents
• Measurement: index
  o Size based on public expenditure
  o Size based on public revenues
  o Other
• Introduction to market failures
• “Public goods”
  o Definition
  o Characteristics
  o Efficiency in the supply
• Monopoly situations
  o No intervention
Antitrust legislation
Profit limits
Public prices

SESSION 3

Public finance: objectives & principles
- Concept and delimitation
- Public and private finance: differences and content
- Public choice and fiscal politics
- The public sector as an economic agent
- From the classical public tax administration to the welfare state
- The resource's assignment
- The rent distribution
- Political objectives
  - Social stability
  - Health
  - Education
  - Infrastructures
- Economic objectives
  - Growth
  - Price stability
  - Employment
- Public Provision for Social Goods
- Agents:
  - Voters
  - Politicians
  - Public servants
  - Lobbies
- Theories

SESSION 4

The budget
- Concept
- The budget bill
- Principles
  - Political principles
    - Legality
    - Unity
    - Annuity
    - Publicity
    - Speciality
      - Cualitative
      - Cuantitative
    - Stability
  - Economic and and financial principles
    - Equilibrium
    - Gross value
    - Closed budget
- Elements
  - Revenues and expenses
  - Essential versus eventual
- Types
  - Traditional
  - By programs
  - By projects
• Zero based
• Flexible

• Process and cycle
  • Preparation
  • Discussion and approval
  • Execution
  • Control and review: internal and external

• Concept of public revenues
• Types
  • Ordinary and extraordinary
  • Public revenues from public source
  • Public revenues from private source
  • Voluntary versus coercitive

• Taxes
• The public debt
• Disposition of public property
• Government-owned corporations
  • Concept
  • Types
  • Regulated prices
  • Public services

• Concept of public expenditure
• Public expenditure structure in the OECD countries
• The theories on collective decisions re taxation
• Types
  • Ordinary versus extraordinary

• The main topics
  • Defense
  • Justice administration
  • Health
  • Education
  • Social security: public pension and unemployment schemes
  • Housing
  • Others
  • Low income support

SESSION 5

Debt and deficit
• Public and private debt
• Theories and policies
• Growth and limits
• Advantages and disadvantages
• Debt and deficit
• How to finance the debt
  • Markets
  • Rating agencies
• The EU framework

PART II

SESSION 6

The taxation power
• Introduction
• “Owners”
The state
  - The autonomies
  - The local corporations
  - The EU

The tax payer

Principles:
  - Simplicity
  - Equity
  - Neutrality
  - Sufficiency

History

Sources
  - Constitution
  - Tax treaties
  - EU Law (and the 4 fundamental freedom principles)
  - Domestic (Spanish) Law
    - Law
    - Law-decree
    - Legislative-decree
    - Regulation

SESSION 7

Taxes: interpretation, principles and types

- Interpretation of tax rules
  - Qualification
  - Analogy
  - Conflicts
  - Simulation
  - Timing and space elements

- Principles
  - Legality
  - Simplicity
  - Economic capacity
  - Equality
  - Neutrality
  - Progressivity
  - No confiscation

- Optimal taxation
  - The excess burden of taxation
  - Efficient taxation
  - Efficiency costs
  - Tax incidence

- Types
  - Direct and Indirect
  - Personal income tax
  - Corporate income tax
  - Consumption taxes: VAT and Sales tax (US)
  - Property and Wealth taxes
  - Estate and Gift taxes
SESSION 8

Taxes: elements
- The tax elements:
  - On what? The taxable event
  - On who? The tax payer
  - Where? The tax residence
  - How calculated? The taxable base
  - How much? The rate
- The tax obligation
- Types
  - Principal
  - Subsidiary

SESSION 9

The tax payer and the tax base
- Capacity and representation
- Residence
- Tax payer as:
  - substitute
  - representative
  - liable of the payment
- Persons liable of withholding taxes and prepayments
- Types of tax base
- Methods for calculation
  - Direct estimation
  - Objective estimation
  - Indirect estimation
- Deductions
- The EU CCCTB

SESSION 10

The tax debt
- Tax rates
- Types
  - Fix
  - Proportional
  - Progressive
- Methods for extinguish the tax debt
  - Payment
  - Compensation
  - Prescription (Statutes of limitations)
  - Condonation
  - Others
- Timing and payment methods

PART III

SESSION 11

The application of taxation and potential procedures
- Tax procedures
- Phases
• Start
• Instruction
• Proof
• Termination
• Tax liquidations and notifications
• Information and assistance to the tax payers: the taxpayer’s rights
• Social collaboration
• Standard Tax procedures from a tax office (e.g.: AEAT)
  o Tax management procedure
  o Tax refunds procedure
  o Procedure started by tax declaration
  o Data verification procedure
  o Value verification procedure
  o Limited review procedure
  o Self-assessment rectification procedure
• Special Tax procedures
  o The tax audit
    • Functions and faculties
    • Tax audit procedure
      o Documentation
    • Start, scope, timing and termination
  • The tax fraud
    o Criminal procedure
    o Administrative procedure
• Review in administrative court
  o Appeals:
    • Reposition
    • Revision

SESSION 12-13

Tax federalism & International taxation
• Principles of tax decentralization
• Advantages and disadvantages
• Internal tax transfers
• Tax treaties to avoid double taxation
• Competitiveness vs. Coordination
  o Mutual procedures
  o Anti-avoidance
  o Tax heavens
• Taxation in the EU
  o Harmonization
    • VAT
    • FTT
    • CCCTB
  o Cooperation

SESSION 14-15

Final exam
4- METHODOLOGY AND ECTS WEIGHTING

The course will give through individual tutorials. Attendance is compulsory.

Each tutorial will include a theoretical introduction; a discussion and interpretation of the readings assigned; practical exercises, comments on real tax cases and a debate on selected materials.

From time to time, students will be required to prepare a resume on the readings assigned for that day and make a presentation.

Home study and homework will be necessary for the proper follow up of the lessons.

<table>
<thead>
<tr>
<th>Teaching Methodology</th>
<th>Weighting</th>
<th>Estimated time a student should dedicate to prepare for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lectures</td>
<td>30%</td>
<td>45 hours</td>
</tr>
<tr>
<td>Discussions</td>
<td>40%</td>
<td>60 hours</td>
</tr>
<tr>
<td>Exercises</td>
<td>10%</td>
<td>15 hours</td>
</tr>
<tr>
<td>Other Individual studying</td>
<td>20%</td>
<td>30 hours</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
<td><strong>150 hours</strong> are required for a 6 ECTs course (30 sessions); <strong>75 hours</strong>, for 3ECTs (15 sessions)</td>
</tr>
</tbody>
</table>

5- EVALUATION SYSTEM

Final evaluation: 15% tutorial participation  
15% homework  
20% final open book essay to do at home individually  
50% final exam which will include:

1) YES/NO questionnaire: 30% over the 50%  
2) MULTIPLE CHOICE questionnaires: 30% over the 50%  
3) Reply to open questions 40% over the 50%

Grades: From 0 to 10 (scoring 5 or more will be needed to promote)

5.1. GENERAL OBSERVATIONS

Each student has four attempts over two consecutive academic years to pass this course.

Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will lose their 1st and 2nd chance, and go directly to the 3rd one (they will need to enroll again in this course next academic year).

Students who are in third or fourth call should contact the professor during the first two weeks of the course.
RETAKE POLICY

In July's retake the maximum final score would be of 8 out of 10.

- Grading for retakes will be subject to the following rules:
  
  o Students failing the course in the first regular period will have to do a retake in July (except those not complying with the attendance rules, which are banned from this possibility).

  o Dates and location of the July retakes will be posted in advance and will not be changed.