



HI6028 Taxation, Theory, Practice & Law

HOLMES
INSTITUTE



T1, 2017 ASSIGNMENT 1

Due date: Week 7

Due date: Week 8 (Block Mode)

Maximum marks: 20 (20%)

Instructions:

This assignment is to be submitted by the due date in both soft-copy (Safeassign – Bb). NO hard copy assignment will be accepted.

The assignment is to be submitted in accordance with assessment policy stated in the Subject Outline and Student Handbook.

It is the responsibility of the student submitting the work to ensure that the work is in fact his/her own work. Ensure that when incorporating the works of others into your submission that it appropriately acknowledged.

Case study 1: Residence and source

Kit is a permanent resident of Australia. He was born in Chile and retains his Chilean citizenship. Kit spends most of the year working off the coast of Indonesia on an oil rig for a United States company. He was recruited for this job in Australia and signed a contract with the company here. For the last four years, Kit's wife has lived in Australia with their two children. They purchased a home in Australia three years ago. Kit and his wife have a joint bank account with Westpac Bank. Kit's salary is paid directly into his account. All of the family's other investments, including a share portfolio that generates dividend income, remain in Chile. Kit gets one month off from work every third month and, on these occasions, he meets with his family either in Australia or on holidays around South America (usually in Chile where his parents reside).

Discuss whether Kit is a resident of Australia and how his salary and investment income would be taxed (10 marks, max. 1000 words).

Case study 2: ordinary income

Explanations of the respective outcomes reached by the courts in the following cases which all involving sales of land:

- I. Californian Copper Syndicate Ltd v Harris (Surveyor of Taxes) (1904) 5 TC 159
- II. Scottish Australian Mining Co Ltd v FC of T (1950) 81 CLR 188
- III. *FC of T v Whitfords Beach Pty Ltd* (1982) 150 CLR
- IV. *Statham & Anor v FC of T* 89 ATC 4070
- V. *Casimaty v FC of T* 97 ATC 5135
- VI. *Moana Sand Pty Ltd v FC of T* 88 ATC 4897
- VII. *Crow v FC of T* 88 ATC 4620
- VIII. *McCurry & Anor v FC of T* 98 ATC 4487

(10 marks, max. 1000 words).