



HI6028 Taxation, Theory, Practice & Law

HOLMES
INSTITUTE



T2, 2016 ASSIGNMENT 1

Due date: Week 8

Maximum marks: 20 (20%)

Instructions:

This assignment is to be submitted by the due date in both soft-copy (Safeassign – Bb) and hard copy.



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

Fred, an executive of a British corporation specializing in management consultancy, comes to Australia to set up a branch of his company. Although the length of his stay is not certain, he leases a residence in Melbourne for 12 months. His wife accompanies him on the trip but his teenage sons, having just commenced college, stay in London. Fred rents out the family home. Apart from the absence of his children, Fred's daily behavior is relatively similar to his behavior before entering Australia. As well as the rent on the UK property, Fred earns interest from investments he has in France. Because of ill health Fred returns to the UK 11 months after arriving in Australia.

Requirement

Discuss whether Fred is a resident of Australia for taxation purposes. (4

Marks, maximum 500 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

(16 marks, max. 2000 words).