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## **Tax Questions and Answers 2002**

**Kaye E Emmerton and Rodney K Fisher**

**Sixth Edition, Australian Tax Practice, 2002, pp 505, \$71.50**

Taxation law can be a legislative nightmare, even for the most skilled and experienced practitioner. *Tax Questions and Answers 2002* provides a concise introduction to taxation law using questions that tertiary students can work through and later assess against the suggested answers. The text is designed to teach tax law in a practical context by encouraging a self-learning approach for students. The emphasis on narrative questions is designed to enhance the life-like appeal of the problems, and develop an ability in students to identify relevant issues. Numerous calculation questions are also included. The answers demonstrate the application of technical principles to addressing the factual situations, and often discuss common errors to which students are prone. Additional questions are provided for tutorial, discussion, and assignment purposes.

Having two authors and other highly qualified contributors has allowed a diversity in the style of questions that are asked. All contributors have a veritable alphabet of qualifications to back up the knowledge and care that has gone into producing this highly structured work. The questions and answers are segregated and extensively cross-referenced to the leading student tax textbook, ATP's *Australian Tax Handbook*. The bulk of the information in the text is based on the law and tax rates applicable for the year ending 30 June 2002.

The text is structured in a convenient way, cross-matching the relevant questions with the relevant answers in the contents page. There is also a section explaining how this book should be read, which is useful, as students reading it cover to cover would not be using their time efficiently. The running headers on each page are useful in allowing the reader to assess easily which section they are in and conveniently access the corresponding question or answer. Questions in each chapter progress from the less difficult to the more difficult. Further reference texts are provided at the answer stage. The authors emphasise that tax law is an uncertain discipline, as is evident from the numerous split judgments in the field. It is accepted that more than one view may be legitimately proffered. The authors state that

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what distinguishes the quality of students' answers is the analytical reasoning used in reaching a conclusion.

The chapter structure is set up in a way that is consistent with tax law university courses and various other tax law textbooks. The first chapter poses realistic questions regarding the residence of the taxpayer and the source of their income. The questions in the next chapter address whether such things as windfall gains, hobbies, rewards, gambling, and prizes are income and thus able to be taxed accordingly. Termination payments, exempt income and trading stock are discussed as subsections in this chapter.

The third chapter engages the topic of Capital Gains Tax. The considered areas include shares, conveyance of land, timing, cost base and main residence. The next chapter deals with Fringe Benefits Tax, which is a tax payable by employers in relation to taxable fringe benefits provided to their employees or associates.

Chapter five is concerned with whether deductions may be allowed in a given scenario. These include workers compensation claims, travel expenses, education expenses and legal costs. Within this chapter is a subsection covering capital allowances and repairs. The following two chapters deal with tax accounting and rebates and rates of tax. Next, questions regarding the tax consequences for companies, partnerships, and trusts are discussed in individual chapters.

The special classes of taxpayers are considered in chapter 11. The classes of primary producers, authors, inventors and sportspersons, clubs and associations, and superannuation funds are all given special attention in their own subsections. Later chapters separately cover 'international taxation' and various international agreements, 'tax administration', 'tax planning and anti-avoidance provisions', and 'state taxes and GST'. The final chapter provides in-depth, point-form case studies for which there are unfortunately no model answers.

The questions are thankfully littered with light-hearted witticisms (presumably to break up the tedium of tax law and accountancy). The answers provide arguments both for and against each point of view (for example, whether or not a certain deduction is allowable) and conveniently provide a discussion of the relevant provisions and precedents in each case. It is infuriating that no answer whatsoever is provided for the tutorial questions. However, this does provide an opportunity for the reader to assess their understanding of the earlier material in each chapter. The calculations in the answer section are sufficiently simple that students from a non-commerce background can understand them. Overall, this text is a handy companion for stu-

dents wishing to do exam-style questions in preparation for their exams.

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### **Understanding the Australian Legal System**

**John Carvan**

**Fourth Edition, Lawbook Co, 2002, pp 176, \$32.76**

*Understanding the Australian Legal System* (4<sup>th</sup> ed) is the most recent publication of this introductory text to the study of law. It does not differ greatly from the previous editions, but includes further discussion of legal reasoning and judicial decision-making and additional case law examples. A new chapter on torts, in particular the law of negligence, has also been included in this edition. The author, John Carvan, has been a lecturer of both introductory and administrative law for many years at various institutions, including the Australian School of Commerce and Management, the University of Wollongong, the University of Western Sydney and TAFE. His wide experience in lecturing in introductory law is reflected in the comprehensibility of this latest reference.

This text is clearly intended to act as introductory reading and to provide a general overview of Australian law for first-time students or others requiring a basic knowledge of the law. Each of the nine chapters deals with a different aspect of the law, following a logical progression in difficulty from 'Studying Law', in the first chapter, to explanations of the basic concepts of the laws of contract and torts in the final chapters. The definitions and concepts dealt with are explained clearly and concisely using simple language to facilitate understanding. More difficult issues, inherent in areas such as the study of contract and torts, are also explained in a straightforward manner. Each chapter is divided into clear sections under headings, and contain diagrams and numerous practical examples to assist in the comprehension of the explanations provided. Case examples and extracts are also provided, particularly in later chapters, to illustrate relevant principles.

Sample questions and self-testing questions are provided at the end of each chapter. These are designed to ensure that the student understood the key issues raised within the chapter and that any problematic or difficult areas are addressed. Answers are provided to the

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