

050404 – economy

TAXES AND TAXATION

Fall 2021

SYLLABUS

1. Contact details

Instructor: Dr. Jafar F. Jafarov

Office: Faculty of Agricultural Economics, 1st Floor, Room # 118

E-mail: jafarj@list.ru

Office hours: Monday – Friday from 09:00 till 13:00 and 14:00 till 18:00

Contact number: 0553513696

The instructor will notify students in advance via e-mail or by registering in the announcement board of the department in case office hours need to be re-scheduled.

The syllabus is a key document containing all practicalities, requirements and deadlines regarding the course. Students should have read it thoroughly immediately after receipt and should consult it daily throughout the semester.

Students can use WhatsApp group or e-mail group in order to contact with me. This email address is also required to get access to the electronic bulletin board that the instructor uses to communicate with students and to distribute course-related documents.

Due to Corona virus pandemics, all lessons will be held by online Teams program.

2. Time of classes

Classes will be held at the following times via online Teams program:

Tuesday, 15:00-16:00 (lecture)

Thursday, 16:00-17:00 (seminar)

3. Pre-requisite

There is no pre-requisite for the course. However, since economics is mathematically intensive, it is worth reviewing the secondary school mathematics for a good mastering of the course. The course is organized in the fifth semester of the university.

4. Course description

This course is designed to teach students to recognize major tax issues inherent in business and financial transactions. Taxation acquaints the student with the social and economic policy implications of the Tax Code. The course focuses on fundamental tax concepts, the mastery of which will enable students to incorporate tax factors into business and investment decisions. Taxes motivate people and institutions to engage in certain transactions. The course develops certain income tax principles to maximize an entity or individual's net present value cash flow resulting from a transaction.

The student will become acquainted with the social and economic policy implications of the Tax Code as well as explore the question of what constitutes a "good tax." Finally, the course will compare and contrast the accounting objectives in the Tax Code with generally accepted accounting principles (GAAP) in financial reporting, especially Accounting for Income Taxes.

If the student learns the fundamental concepts of taxation, he or she will have a permanent frame of reference into which one can integrate the constant changes in the technical minutiae of the law. The key element of the law – the statutory and judicial bedrock – do not change with each new revenue act. If you master these key elements, you will be truly prepared for a lifetime of learning.

The course is designed for 60 hours. The course was calculated for 15 weeks during the semester. Lecture will be held in a week within 30 hours, and seminar will be held in a week within 30 hours.

5. Learning objectives

The course aims to provide students with an understanding of the economics of taxation. Both theoretical and applied economic tools will be used to analyse various issues of tax policy. As great emphasis will be put on bridging the gap between theory and applied cases, students will be asked both to formalise tax issues and to discuss in plain English the complexity of real life taxation.

At the end of the course, students should:

- ✓ have a knowledge of the structure of taxation in Azerbaijan (Azerbaijan will be described primarily but examples from Europe and the US will also be mentioned)
- ✓ be familiar with basic economic concepts and methods relating to taxation, including tax incidence and excess burden;
- ✓ have an understanding of some of the key behavioural effects of taxes, including those on consumer spending, labour supply, saving and investment;
- ✓ have an understanding of the main normative analysis of taxation (optimal commodity taxation, optimal labour income taxation)
- ✓ be able to analyse, using relevant economic concepts and methods, a number of issues in tax policy, such as the relative merits of different forms of income taxation or other tax reforms.

6. Learning Methodology:

- Principle One: You should learn the tax law as an integrated component of a complex economic environment. You should be aware of the role taxes play in financial decision making and should understand how taxes motivate people and institutions to engage in certain transactions.
- Principle Two: You should comprehend the tax law as an organic whole rather than as a fragmented collection of rules and regulations. You should learn general tax rules rather than the myriad of exceptions that confuse rather than clarify the general rules. You should appreciate how the general rules apply to all taxpaying entities before you learn how specialized rules apply to only certain entities. Finally, you should learn how the law applies to broad categories of transactions rather than to a particular transaction.
- Principle Three: If you learn the fundamental concepts of taxation, you will have a permanent frame of reference into which you can integrate the constant changes in the technical minutiae of the law. The rapid evolution of the tax law results in a short shelf life for much of the detailed information

contained in undergraduate tax texts. Yet the key elements of the law – the statutory and judicial bedrock – do not change with each revenue act. If you master these key elements, you are truly prepared for a lifetime of learning. The lecture will be delivered through interactive methods. Oral and PowerPoint presentation will be provided during the lectures. In addition, students will have an opportunity to get mutual discussion during the class.

7. Instructor expectations of students

Students are expected to read the appropriate readings prior to lecture and discussion. Each class will begin with the interrogatory: “Are there any questions?” This is the student’s opportunity to ask questions over material previously covered, about the material under current discussion, or general economic matters. Students are expected to conduct themselves in a manner amenable to the learning process, treating one another with respect. Students are encouraged to form study groups among themselves, assist one another in mastering material, and provide one another with missed notes.

8. Course Outline

Date	Name of chapters	Lecture (allotted time)	Seminar (allotted time)
Week 1	The formation and development history of taxes. Taxation theories	2	2
Week 2	The economic essence, principles and functions of taxation	2	2
Week 3	The rights, duties and responsibilities of taxpayers in the Republic of Azerbaijan	2	2
Week 4	Tax control. Responsibility for violation of tax legislation	2	2
Week 5	The rules of calculation and payment of taxes	2	2
Week 6	Income tax for physical persons	2	2
Week 7	Income tax for physical persons	2	2
Week 8	Profit tax of legal entities	2	2

Week 9	Value Added Taxes (VAT)	2	2
Week 10	Excise tax	2	2
Week 11	Property tax	2	2
Week 12	Tax on land and road tax	2	2
Week 13	Mining tax.	2	2
Week 14	Simplified tax	2	2
Week 15	Fundamentals of international taxation. State duty and lump-sum fees	2	2
Total:		30 hours	30 hours

9. Methodological recommendations for studying the subject

Structure of the lecture

The lecture is scheduled for 60 minutes in Teams program. Students can take notes about the subject during the lecture. Because students do not have the ability to write lectures in full, they can write lectures using electronic means such as mobile phones, laptops, cameras, etc. Electronic equipment is prepared by the course representative before the beginning of the lecture. However, it is strictly forbidden to use electronic means for other purposes during the course.

Classroom Behavior: (PLEASE READ)

- Please turn off cell phones and other devices
- No texting or facebooking or other non-class related uses of electronics
- Please arrive on-time and expect to leave at the end of class (if you have to leave early, please sit near the exit).

The student is responsible for such actions. The electronic version of the lecture can be obtained from the lecturer or at the university's web site.

During the lecture slides will be used in a wide range of materials. At the same time, in parallel, I will explain the difficult moments on board. During the lecture student may ask the teacher to re-explain uncertain moments. An appropriate list of literature on each subject is given in the last section of

the syllabus. In addition, it is advisable for students to use the Internet resources.

A student who does not attend more than 25% of the time on the subject is not eligible for the exam. (Order of the Ministry of Education of the Republic of Azerbaijan. Resolution of the Cabinet of Ministers dated December 24, 2013, No. 348)

10. Seminar sessions

Chapters of seminars and list of used literature will be awarded to students in advance. 2 or 4 hours are reserved for each seminar chapter. In the first two hours the theoretical knowledge of students will be checked. Each student should respond given questions and they need to prove subject is understood by them and logical nature is clear. If the answers are memorized and superficial, it will be considered that the student did not adopt the subject. Keep in mind that economic concepts can be memorized by anyone, but they can never be an economist.

Presentation method will be widely used. Because it will be useful for you to present easily in your next career. An appropriate question should be prepared by the students and presented by the student selected by the teacher during the study. The presentation period is 5-8 minutes. After the speech, discussions will be held on the subject of the student.

Our recommendation for students: to actively participate in lessons, not to hesitate to answer questions, to conduct free logic ideas and not to be afraid to make mistakes. Remember, the student has the right to make mistakes before the exam.

11. Individual works

You are welcome to submit your individual work at the designated time. Individual work is then taken when the student has full knowledge of the job and is in the form of handwriting. Otherwise, the job is not accepted and deducted from the total score. Delayed individual work is not accepted and is not evaluated. However, while calculating the next month's scores, individual work may be re-submitted under the above conditions.

If you do not take the exam, regardless of the reason given zero points. To solve all the problems arising from the examination to be admitted to the examination committee.

The declared score is not changed (excluding errors in calculation of mechanical or subject matter). If you are dissatisfied with your examination score, you can apply to the exam commission from the moment score is declared.

Students are required to be honest and ethical behavior.

12. Assessment

Course scores will be determined by attendance classes, home assignments, individual works by months and seminar scores. The following can be grouped as follows:

Type of activity	The maximum assessment	% of full assessment)
Attendance classes	Till 10 score	10%
Individual works (10 topics)	1 score for each individual work	10%
Seminar scores	Till 30 score	30%
Exam score	Till 50 score	50%
Final exam score	Till 100 score	100%

Recommended Literature

1. Huseyin Naim Guney, Eski vergiler, 2017
2. John Tiley, Studies in the History of Tax Law, 2017
3. Ferdinand H.M. Grapperhaus, Taxes through the Ages: A Pictorial History & Tax Tales: From the Second Millennium, 2015
4. Burg David F. A World History of Tax Rebellions: An Encyclopedia of Tax Rebels, Revolts, and Riots from Antiquity to the Present, 2014
5. F.A.Mammadov, A.F.Musayev, M.M.Sadigov, Y.A.Kalbiyev, Z.H.Rzayev. Theoretical and methodological bases of taxation. Textbook. Baku – 2001.
6. F.A.Mammadov, A.F.Musayev, M.M.Sadigov, Y.A.Kalbiyev, Z.H.Rzayev. Taxes and taxation. Textbook. Baku – 2006.
7. *Tax Code of the Republic of Azerbaijan. Baku, Law – 2020*
8. *Code of Administrative Offenses of the Republic of Azerbaijan*
9. *Criminal Code of the Republic of Azerbaijan*

10. *The Civil Code of the Republic of Azerbaijan*
11. *Law of the Republic of Azerbaijan "On non-cash payments"*.
12. <http://www.taxes.gov.az/vn/child/eng/vergitarixi.html>