# Applied taxation for businesses

## Prof. Massimo Cremona

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to provide students with a general understanding of the techniques of taxation applied by Italian businesses.

Therefore, it will start from an in-depth analysis of the main Italian tax regulations in the field of direct taxation for businesses. Then, it will explore applied taxation techniques, intended as relationships between own capital and third party capital, the presence of holdings, Italian and multinational groups, transfer pricing, etc. Furthermore, the course will examine the tax effects of restructuring operations (e.g. mergers, demergers, conversions, and contributions), both in terms of domestic effects and cross-border transactions.

During the course, students will have the opportunity to analyse practical cases and comment on examples of operations carried out by Italian businesses or groups.

So, the primary goal of the course is to provide students with the key tools and techniques to understand and face tax decisions in business management. Starting from the legal norm, it will explore the techniques used to analyse the choices of tax variables, teaching students an appropriate – yet understandable – terminology; then, through a theoretical approach, it will introduce examples and case studies that will allow students to get a better understanding (also from a practical point of view) of the tax elements influencing business life.

At the end of the course, students will be able to:

1. Know and understand the techniques that are necessary to take tax decisions inside a business.

2. Apply their newly-acquired knowledge, starting from their understanding of the topics explained during the course.

3. Integrate their newly-acquired knowledge and face complexity, making judgments based on limited or incomplete information.

4. Communicate their conclusions in a clear and unambiguous way.

5. Move forward in the analysis of Tax Law and professional techniques.

***COURSE CONTENT***

– Introduction.

– An outline of taxes on income in Italy. Direct and indirect taxation.

– Business income.

– The *imposta sul reddito delle società* or *IRES* (in English: corporate tax).

– Natural persons and business activities

– The interposition of family holdings.

– Legal persons and business activities.

– How to finance business activities. Social capital and funding.

– The taxation of dividends, interests, and capital gain for legal persons.

– Tax relief in the Italian tax system.

* National and international groups; the problems related to consolidated financial statements.
* Residence and Controlled Foreign Companies (CFC) – Trusts

– International conventions and EU directives.

– The different ways to carry out business activities: the concepts of subsidiary and permanent establishment in Italy and abroad.

– Transfer pricing. A functional analysis and reflections upon the definition of the methodologies to remunerate the single entities belonging to the group.

* VAT in international operations
* Intangible assets, goodwill, and know-how in the latest international provisions

– BEPS and international taxation in the future.

* Digital economy

– Extraordinary transactions and their taxation.

– Mergers, demergers, conversions, and company transfers

– The principles of tax neutrality and tax continuity.

***READING LIST***

Recommended reading list:

F. Tesauro, *Compendio di diritto tributario,* Utet.

In addition, during the course, depending on the case studies presented in class, the lecturer will provide a list of articles that can help students get a better understanding of fiscal phenomena.

Finally, a course pack covering the whole content of the course will be made available for students.

***TEACHING METHOD***

The course will consist in frontal lectures and practical activities.

***ASSESSMENT METHOD AND CRITERIA***

The final exam aims to assess the students’ achievement of the intended learning outcomes. It will consist in an oral exam, based on two questions: one on the topics explained during the course and the other one on specific aspects of tax decisions. These two questions will allow to assess the students’ global knowledge of the subject, and the ability to adopt a critical approach towards the topics under analysis.

The assessment criteria for the final exam will include the knowledge of the subject and the use of an appropriate terminology (that students will have to show during the presentation of the topics), the critical approach adopted towards the subject, and the capacity to find connections between different fields and the topics under analysis.

More specifically, the final assessment will consist of an oral exam on the whole course content, based on two questions on the topics explained in class and the textbooks indicated in the reading list (for individual study); the final mark will result from the average between the answers to the two questions.

The assessment criteria for the final mark are listed below.

– A wide knowledge of the topics, together with the ability to put into practice the newly-acquired knowledge and terminology with a critical approach, will result in excellent marks; the highest mark 30 cum laude (with honours) will be assigned exclusively to the students who show an extraordinarily extensive knowledge of the subject.

– The partial development of analytical and synthesis skills and/or the limited ability to use an appropriate terminology will result in acceptable/good marks, depending on students’ preparation.

– The presence of knowledge gaps and the use of an inappropriate – yet correct – terminology, showing a basic understanding of the course content, will result in sufficient marks.

– A poor knowledge of the course content, the use of an incorrect terminology, and the students’ inability to orient themselves among the textbooks indicated in the reading list, will result in negative marks.

***NOTES AND PREREQUISITES***

In order to attend the course, students will have to pass the Tax Law exam; in fact, this course represents the practical evolution and application of the topics explained during the Tax Law course, considering also the tax variable in business management.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.