

LAWS8421, Income Tax

Assessment Task 4

Research Essay, 2022

(Winter Session 2022)

Weighting: 50% of the final mark for the course

Due: Thursday 8 September 2022, at 5pm

Word Limit: 4,000 including all headings, text and footnotes (but excluding bibliography)

Referencing: AGLC4 style referencing of sources are required, including footnotes and a bibliography

Marking rubric: See table attached

Question:

In an article published in the Australian Financial Review on Thursday, 5 May 2022, John Kehoe wrote the following:

In comments reported by my colleague Patrick Durkin, Macfarlane [former Governor of the Reserve Bank of Australia] said: 'The people who hold all the wealth are the older people — we don't really tax wealth ... The people who depend on income are the young people who have no wealth, and our tax system relies very largely on taxing income, so we have a problem going forward. I'm surprised that the younger generation aren't actually squealing louder.'

.... Personal capital, such as housing and superannuation savings, are taxed relatively lightly, including discounted capital gains for investment property and shares, compared to full personal marginal rates for labour income.

'This has made this intergenerational inequality of wealth so much bigger,' Macfarlane said.

Critically evaluate the 50% discount which applies to certain capital gains having regard to the tax policy criteria of equity, simplicity, neutrality and sustainability? If you conclude that the discount can't be justified on policy grounds, provide suggestions for possible law reform.

	Not Demonstrated	Satisfactory	Good	Excellent
1. Independent Research	Essay relies solely on material provided in class or non-scholarly secondary sources.	There is evidence of research beyond the materials provided in class but there are significant gaps in the research exercise.	The essay cites a range of appropriate primary and secondary sources. The use of the sources reveals an understanding of the arguments in those sources.	The essay cites an extensive range of appropriate primary and secondary sources. The use of the sources reveals a sophisticated understanding of the arguments in those sources.
2. Written Communication	The essay contains many errors in spelling, grammar and punctuation. Use of words and phrases is often incorrect or unclear.	The essay is mostly well-written with only occasional errors in spelling, grammar, punctuation and use of words and phrases.	The essay is well-written. There are no significant errors in spelling, grammar and punctuation. There is appropriate use of language throughout the essay and the style of the essay is generally appropriate for academic writing.	As for 'Good' and the essay is written in a polished style.
3. Structure of Essay	The essay lacks a clear structure and this impedes comprehension of the essay.	There is evidence of an attempt to present ideas in a logical order but the line of argument is unclear in a few places.	The author's ideas are presented in a logical order. The line of argument is easy to follow.	The essay has a coherent structure in which the author's ideas are developed logically and skilfully.
4. Response to Question	Significant parts of the question are not addressed.	The essay addresses the question but is mostly descriptive, fails to engage in critical analysis of ideas and arguments and/or contains a significant amount of irrelevant material.	The essay addresses all aspects of the question and there are attempts to engage in critical analysis of ideas and arguments. Conclusions are mostly supported by argument.	The essay provides a well-reasoned answer to all aspects of the question. The body of the essay is clearly focussed and internally consistent and provides solid support for the author's conclusions.
5. Referencing and Compliance with Citation Style	There are very few references to sources and/or frequent non-compliances with AGLC style.	There are references to sources whenever necessary but there are significant non-compliances with AGLC style.	There are references to sources wherever necessary and only minor non-compliances with AGLC.	As for 'Good' but there is perfect compliance with AGLC.