Spanish fiscal system

Academic Year: (2018 / 2019)  
Review date: 05-04-2017

Department assigned to the subject: Department of Economics  
Coordinating teacher: SMAGGHUE, GABRIEL DAVID  
Type: Electives  ECTS Credits: 6.0

COMPETENCES AND SKILLS THAT WILL BE ACQUIRED AND LEARNING RESULTS.

Knowledge capacities
Students must learn the economic aspects included in the law texts, in particular in the Spanish fiscal system. It requires to get familiar with the influence in different economic models of the taxes and the subsidies or the tax rate surplus. Students are also required for researching about the usual standards criteria for the horizontal and vertical equity Abilities
At the end of this course, students must be able to apply the general economics criteria for the analysis of the taxes included in the Spanish fiscal system.

Attitudes
Students must improve its critical thinking through the study of an specific tributary system up from its alternatives

DESCRIPTION OF CONTENTS: PROGRAMME

PUBLIC SECTOR IN SPAIN
1. The role of the Public Sector in the market economy
2. The National or Government Budget: The role of the revenues and spending in the market economy
3. Decentralization and fiscal co-responsibility
4. The main Revenues. The most important taxes
5. The basic components of the taxes

DIRECT TAXATION: INCOMES AND WEALTH TAXES
1. WEALTH TAX
   a. Basic components: Stock and Wealth flow
   b. Relevant questions
   i. The role of these taxes in the local administration financing
   ii. Discussion about the convenience of the introduction of these taxes at the present time
2. INCOME TAX
   a. Basic components: Selected fiscal unit; kinds of incomes taxed; analytical structure of the tax
   b. Relevant questions
   i. Tax reductions: reasons and effects
   ii. Different treatment of the capital and employment incomes: progressive inequality hidden of the tax
   iii. Progressivity and acquiring: different treatment between capital gains accumulated and irregular incomes
   iv. The effects of the inflation in the effective progressivity
   v. Integration of the INCOMES and CORPORATE TAXES; dividens doble imposition
   c. Future trends
   i. Lineal Tax with Minimum Exempt
   ii. Dual Model; The Nordic case

INDIRECT TAXATION: CONSUMPTION TAXES
1. VALUE ADDED TAX, VAT
   a. Basic components: Passive subject and taxpayer; features and operating; tax rates; justification and effects of the total and partial exemptions
   b. Relevant questions
   i. Openness in the international and intra-community trade
   ii. The Split Rule
iii. The regularization in the capital assets
iv. The VAT fraud

2. SPECIAL TAXES
   a. Basic components: Description and motivation of the main Taxes
   b. Relevant questions:
      a. Consumption digression and overtaxation
      b. The role of these taxes in the funding of the local administrations; special consideration to the green taxes and to the Spanish Law for the Autonomous Regions funding (LOFCA)
   c. Future trends
      a. Replacement of the Direct tax pressure by the Indirect
      b. Spending taxes as a substitutive of the incomes taxes

LEARNING ACTIVITIES AND METHODOLOGY
In this course are remarked the economic aspects of the fiscal system (the effects of the taxes in the behaviour and wellness of the citizens) and the evaluation of the different taxes from the point of view of the economic efficacy and the distributive equity. The course following requires the reading of different specialized papers (but affordable for a wide range of students with basic knowledge of economics) and the use of the most frequent simulation economic models.
Students will develop (organized in working groups) expositions about the Spanish Income Tax IRPF with the purpose of study the specific treatment included in the present legislation for the different incomes.
The methodology of the course will combine keynote address lessons in the class, working in groups and individual activities.

ASSESSMENT SYSTEM
The assessment will include a final examination (60 %) and a continuous assessment system (40 %).
The continuous assessment system will include the development of different exercises delivered by the students each week during the course (20 %) and the training of materials for the exposition by working groups of different aspects of the Spanish Income Tax IRPF.

% end-of-term-examination: 60
% of continuous assessment (assignments, laboratory, practicals…): 40

BASIC BIBLIOGRAPHY