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Qrupun nömrəsi: 1023 və 1024

**Quiz 1**

**Mövzu 1: Introduction to Taxation/Tax terminology**

1. Please, list excepted legislative acts that could indicate taxation and tax control issues.

2. In which case an international treaty can and cannot override the Tax Code of the Republic of Azerbaijan?

3. What kind of taxes are not allowed and prohibited to establish?

4. How should the ambiguous tax legislation be interpreted?

5. What are the forms of taxation?

6. What is a dividend?

7. Who are non-residents?

8. Please, list at least 7 kinds of income from Azerbaijani source?

9. What is “service”? What are the specifics of “service”?

10. In which circumstances tax authority will use market value to calculate the taxes?

11. In which conditions and which evaluation methods are used to determine the market value?

12. Who are related persons?

13. What is the definition of “permanent establishment”? How the income of non-resident persons not recognized as a PE from Azerbaijani source should be taxed?

**Mövzu 2: Tax regimes/Simplified tax**

1. Please, define the terms “special tax regime”, “enterprise under the special tax regime” and “large taxpayer”?

2.  Who are the payers of simplified tax, notwithstanding the provisions of Article 218.1 of the Tax Code?

3. What are the subjects of simplified tax?

4. Who have no right to be simplified taxpayer?

5. Who have right to be simplified taxpayer?

**Mövzu 3: Personal Income Tax & Withholding Tax**

1. What are the types of income?

2. How should income received as gift and inheritance be taxed?

3. Please, list at least 6 persons who obliged to withhold the tax at the source of payment?

4. How income tax would be calculated, if person earns salary from two different jobs? How privileges / exemptions will be applied?

5. How income / profit tax paid in foreign countries should be considered in Azerbaijan?

6. What is the definition of low-tax country?

7. What are the tax rates for:

- monthly income;

- income from non-business activity;

- income of individuals engaged in business activities without establishing a legal entity;

- dividends paid by resident enterprises;

- interests paid by resident;

- rent payment of movable and immovable property paid by the resident.

**Quiz 2**

**Mövzu 1: Value Added Tax**

1. The company, resident of Azerbaijan, paid 10 000 manats for the software in accounting, developed by the Turkish company, not presented with its permanent establishment in Azerbaijan. What would be your arguments to minimize/avoid VAT, if you were a taxpayer? Explain how you would impose a VAT to this transaction, if you were a tax officer?
2. The volume of taxable operations (turnover) of the legal entity from 01.03.2015 to 01.02.2016 was 210 000 manats. When and why this taxpayer should submit an application for registration for VAT purposes? What would happen if this turnover aroused from one contract/operation?
3. In which cases taxpayer could and should cancel its VAT registration?
4. VAT payer in a tax period

* Gave a notebook, priced 1 000 manats, as a compensation of salary to its employee;
* Earned 4 000 manats income from retail sale;
* Contributed an asset, priced 2 000 manats, to the capital fund.

What is the value of taxable operations for VAT purposes? Explain your arguments.

1. Azerbaijani company importing goods priced 17 000 manats from Turkey. Custom duty for these goods is determined 15% rate. This company also paid 3 000 manats for delivery to cargo company. Calculate VAT and explain your calculation.
2. Gazette company insured its printing equipment and made 2 000 manats insurance payment. Monthly turnover of this company is 30 000 manats. 10 000 manats of this turnover is deriving from commercials. Calculate VAT obligations of this company? Explain your arguments.
3. VAT payer supplied ordered goods on 29th of April, issued electronic tax invoice on 6th of May and was paid on 10th of May. What is the date of taxable operation? What if it issued electronic tax invoice on 2nd of May and was paid on 10th of June? Explain your arguments.
4. VAT payer company purchased goods priced 11 800 manats (inc. VAT) from VAT payer person, received electronic tax invoice, paid the value of goods in cashless to the provider of goods and VAT to the VAT deposit account. Company sold these goods for 15 000 manats to another person. Calculate VAT to the budget. Explain your arguments.
5. VAT payer purchased bakery products valued 2 000 manats, delivered 700 manats of bakery products to its employees and sold rest of the products valued 1 300 manats. Calculate the creditable VAT and explain your arguments.
6. VAT payer company purchased goods priced 35 400 manats (including 5 400 manats VAT), paid the value of the goods in cashless according to the electronic tax invoice to the provider of goods and transferred VAT to the VAT deposit account. Then, this company sold these products to the company in Turkey. Calculate the compensated VAT and explain your arguments.
7. VAT payer person purchased goods priced 3 000 manats based on electronic tax invoice, paid the value of the goods in cashless to the provider of goods and transferred VAT to the VAT deposit account. He used some goods valued 1 000 manats for personal needs. He paid his utility bills (electricity - 500 manats and natural gas – 400 manats) in cashless based on electronic tax invoice and transferred VAT to the VAT deposit account. Then, during this period he paid 800 manats for performed worked without electronic tax invoice and 1 000 manats for accessories in cash. Calculate the creditable VAT and explain your arguments.
8. When the taxpayer is required to submit application for VAT registration?

**Mövzu 2: Profit Tax & Withholding Tax**

1. The permanent establishment of a non-resident in Azerbaijan derived totally 184 000 manats profit. Total expenditure of this PE is 157 000 manats, deductible expenditure is 143 700 manats. During this period, the PE transferred 24 000 manats from its net profit to a non-resident. Calculate the payable taxes in Azerbaijan and explain your arguments.
2. The PE of Azerbaijani resident engaged in business activity in the country with 18% profit tax rates. During the tax year, derived income from foreign country is 20 000 manats, and from Azerbaijan is 100 000 manats. Calculate the payable taxes in Azerbaijan and explain your arguments.
3. What is the taxable base of profit derived by resident, non-resident enterprises, and the permanent establishment of non-resident enterprises?
4. What are the tax benefits of corporate reorganizations?
5. What are the corporate reorganizations?
6. What are the tax benefits, if a legal person is liquidated and its asset is transferred to a participant that is a legal person or before the liquidation the participant held 100% of the participating interests in this legal person?
7. Derived income of a non-resident from an Azerbaijani source that is not attributable to the permanent establishment are as follows:

* 6 200 manats from risk insurance agreement;
* 10 600 manats from international communication service;
* 4 000 manats as a dividend.

Total expenditure of the non-resident is 3 000 manats.

Calculate the payable taxes in Azerbaijan and explain your arguments.

1. Expenditures of a company during a year were

* 124 000 manats for geological exploration and preparation work for production of natural resources;
* 43 000 manats for non-tangible assets with undetermined period of use;
* 104 000 manats for non-tangible assets with 4 years of use.

Company set the amortization rate for costs on geological exploration and preparation work for production of natural resources as 16%. Total income of this company is 220 000 manats, and expenditure not considering the deductible amortization is 82 000 manats. Calculate the taxable profit of this company and explain your arguments.

1. Calculate the profit tax of the company for each of the year. Explain your arguments.

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2014 | 2015 | 2016 |
| Total income | 142 000 | 254 000 | 178 000 |
| Deductible expenditures | 158 000 | 250 000 | 165 000 |

1. Calculate the profit tax of the company. Explain your arguments.

|  |  |  |
| --- | --- | --- |
| Total income | | 150 000 |
| Deductible expenditure  (not considering depreciation) | | 60 000 |
| Residual value of | main assets undergone conservation | 16 000 |
| equipment | 6 000 |
| non-tangible assets with undetermined period of use | 2 000 |

1. Calculate the taxable profit of the company. Explain your arguments.

|  |  |
| --- | --- |
| Total income | 220 000 |
| Deductible expenditure  (not considering depreciation, and repair expenses) | 140 000 |

|  |  |  |
| --- | --- | --- |
|  | Residual value | Repair expenses |
| Installations | 40 000 | 6 000 |
| High tech product | 2 000 | 200 |

1. How should the residual value on main assets be determined at the end of tax year for the purposes of calculation of amortization?
2. Calculate the profit tax of the company (do not calculate the depreciation). Explain your arguments.

|  |  |  |
| --- | --- | --- |
| Total income | | 256 000 |
| Expenditures | Research | 24 060 |
| Purchase and installation of main assets | 36 780 |
| Non-commercial activities | 22 450 |
| Other deductibles | 138 600 |

**Quiz 3**

**Mövzu 1: Property tax**

1. Calculate the property tax of enterprise. Explain your arguments.

|  |  |  |
| --- | --- | --- |
|  | Residual value of property | |
|  | **Beginning of the year** | **End of the year** |
| Buildings | 100 000 | 200 000 |
| Installations | 50 000 | 190 000 |
| Trasport means | 50 000 | 50 000 |
| Machinery | 60 000 | 60 000 |
| Civil defense facility | 80 000 | 60 000 |
| Calculation technology | 30 000 | 20 000 |
| Fire protection facility | 10 000 | 10 000 |
| Others | 170 000 | 110 000 |
| TOTAL | 550 000 | 700 000 |

1. Three individuals have a private property, a non-residential building with total area of 300 m2, situated in Absheron, used only for business purposes. Two of them are war veterans and each of them owning 90 m2 and third person owning rest of it, 120 m2. Compute the property tax of each person and provide your arguments.

**Mövzu 2: Land tax**

1. Enterprise owns 1 000 m2 of industrial land in Baku and 3 000 m2 of land of housing fund in Sheki. Explain the computation of land tax for enterprise.
2. An individual owns 2,5 ha of land, categorized as 2nd quality, for agricultural purposes in Muradkhan, Kurdamir. Conventional point for this category of land determined as 75. He uses 2 ha of land for planting grain, and 0.5 ha of land for fishing farm, undesignated for this land. Explain the computation of land tax for this person.

**Mövzu 3: Road tax**

1. Heavy truck, registered in Russian Federation, with 5 axes and weight of 70 tons spent 3 days in Azerbaijan and during this period traveled 300 km. Explain the computation of road tax for the truck.

**Mövzu 4: Mining tax**

1. In December, enterprise extracted 330 tons of crude oil from the sea and reinjected back 6 tons of oil to well. Assuming wholesale price for 1 ton of crude oil as 285 manats, calculate the mining tax of the enterprise. Explain your computation. Reinjection norm for oil from the sea is determined as 1.47% rate for 1 ton.

**Mövzu 5: Excise tax**

1. An entrepreneur imports a car with 3 000 cm3 engine for personal use and a truck with 2 800 cm3 for sale. Calculate the excise tax and explain your computation.
2. A taxpayer manufactured 10 kg of gold (amount of gold in a thousand weight units is 500) and imported 3 kg of gold (amount of gold in a thousand weight units is 750). Calculate the excise tax and explain your computation.

**Mövzu 6: Social contributions**

1. In December, barrister concluded only one contract priced 1 000 manats. His deductible expenses are 890 manats. Calculate the social contributions and explain your computation.

2. A lawyer works for Ministry of Taxes and earns 500 manats salary. At the weekends, his preparing young lawyers for public office exams and earns 400 manats. His a registered taxpayer. Calculate the social contributions of the lawyer? What if he is not registered? Explain your arguments.

3. An entrepreneur is engaged in retail business in Baku. He concludes labor agreement with 2 employees. According to these agreements, salary was determined as 300 manats for each of them. Calculate the social contributions of the entrepreneur and employees? Explain your computation.

**Mövzu 7: Tax compliance**

1. What is the procedure **for the calculation and payment of the property tax of individuals?**
2. What is the procedure for current profit tax payments?
3. Who are not filing tax declaration? When notary offices and banks are filing simplified tax declaration as a tax agent?
4. When and where the taxpayers should be registered?

**Mövzu 8: Tax control**

1. In which cases not planned (special) on-site inspections (field audits) shall be conducted?
2. In which cases on-site inspections (field audits) shall be delayed?
3. Explain decision-making procedure on the results of on-site tax inspection (field audit)?
4. Tax authority entitled to realize some procedures indicated in Articles 40-47 of the Tax Code. List them all. Take one of them and explain the procedure.
5. Explain the differences between on-site and off-site inspections (field and desk audit)?
6. If tax authority plans to conduct on-site tax audit from 1st of February 2018, which periods of taxes – profit, land, property, withholding, VAT - could be covered? Explain your answer.

**Mövzu 9: Tax enforcement**

1. **What are the circumstances that exclude the calling to account for violation of tax legislation and that exclude the guilt of the person for violation of tax legislation?**
2. **What are the tax violations on Articles 58.1, 58.2, 58.4, 58.6, 58.10, 58.11 of the Tax Code? What are the financial sanctions for these tax violations?**

**Mövzu 10: Fundamental principles and structure of international tax**

1. What is the legal nature and effect of tax treaties?

2**.** What are the objectives of tax treaties?