**Taxation Law**

**Answer a**

LazerMiracle Ltd provides beauty related equipments and also services to its customers and it has some liability to pay on its tax income. As per the tax legislation of UK it is said that an income of less than 11, 850 pound need not pay tax but above that a tax is applied and this comes within the tax rules and guidelines as imposed by the government of UK (Rossing, Johansen and Pearson 2016). Business income is taxable in UK and as per the guide the areas where the company is liable for tax includes supplying of items and services to beauty salons for which the company, LazerMiracle Ltd took money on several services and beauty related items that they have sold to the beauty salon located in Malta. The legislative principle of Income Tax Act of 1842 is applicable in this case and is also implemented on the company, LazerMiracle Ltd. The company made income on various areas such as installing anti-aging facial machines at a cost of Euro 88,999 + vat, supplying of microdermabrasion machines at a cost of Euro 342,000 + vat, consultancy services to the beauty consultants in order to train them and some others. Firstly as per income tax legislation all these areas are taxable and all come under tax under sales income (Rossing, Johansen and Pearson 2016). These are the areas where the company is liable to pay the tax and other than this as per taxation legislative statute the company is also liable to pay the tax in areas such as selling lazer machine to Delphine and the lazer machine being sold to Nicole as well (Ghodsi and Webster 2018). These are the other two added areas where sales tax is mandatory as the company has made money from these two areas and also has made money from these two shipments (Ghodsi and Webster 2018). This discussion thereby brings in focus the areas where taxation is applicable and the areas where tax on sales income as per the legislative code and principle of UK is mandatory.

**Answer b**

The following points mainly answers that which country’s vat must be charged during the following transactions

Delphine’s purchase of the lazer machine- Poland’s vat will be charged here (Rossing, Johansen and Pearson 2016).

Delphine’s purchase of the ebook- Poland’s vat will be charged as per the EU vat directive

Nicole’s purchase of the lazer machine- Belgium’s vat will be imposed or charged (Rossing, Johansen and Pearson 2016).

The beauty salon in Malta paying for the installation of new anti-aging facial machines- the vat of Malta will be imposed on the company (Ghodsi and Webster 2018).

The beauty salon in Malta paying for purchase of microdermabrasion machines- the vat of Malta will be imposed on the company

The beauty salon in Malta paying for training for it trainees- vat of Malta will be imposed

Trainees in Malta paying for private training- vat of Malta will be imposed

Reference:

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