

ITT Technical Institute
BU214T
Fundamentals of Tax Preparation
Onsite Course

SYLLABUS

Credit hours: 4

Contact/Instructional hours: 60 (36 Theory Hours, 24 Lab Hours)

Prerequisite(s) and/or Corequisite(s):

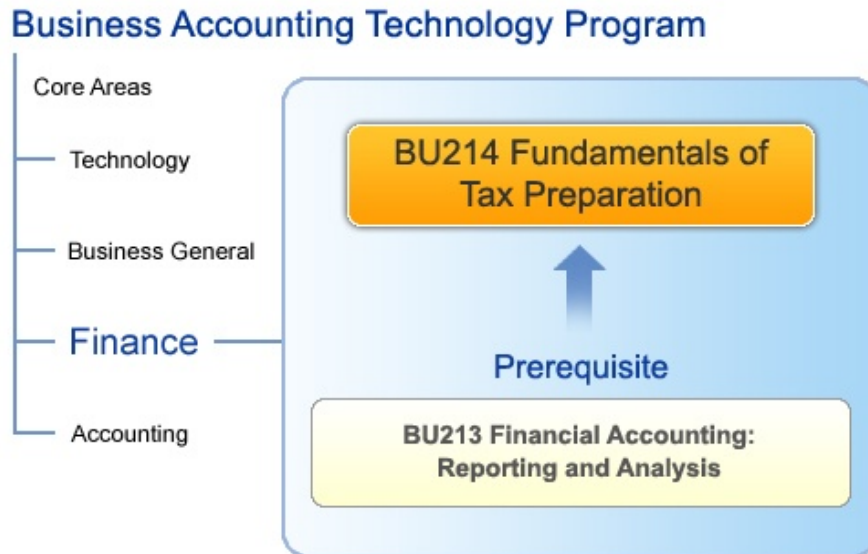
Prerequisites: BU213T Financial Accounting: Reporting and Analysis

Course Description:

This course studies how taxes interrelate with financial accounting by distinguishing between taxation and financial accounting aspects in business transactions. Focus is on tax preparation, types of taxes and tax law.

Where Does This Course Belong?

The following diagram demonstrates how this course fits in the standard program:



NOTE: Refer to the catalog for the state-specific course and program information, if applicable.

Course Summary

Major Instructional Areas

1. Introduction to taxation
2. Tax practice environment
3. Determining gross income
4. Employee compensation
5. Business expenses
6. Property acquisitions
7. Cost recovery deductions
8. Property dispositions
9. Tax-deferred exchanges
10. Taxation of corporations
11. Sole proprietorships
12. Income taxation of individuals
13. Wealth accumulation

Course Objectives

1. Compare and contrast corporate and individual tax models.
2. Describe the three major taxable entities—sole proprietorships, partnerships, and corporations.
3. Differentiate among the differing tax rate structures.
4. Examine how taxable income and tax rates are based on different variables using scenarios that provide data for individuals and corporations.
5. Determine which audits are appropriate for a corporation or organization in relation to tax evasion decisions, taking into consideration the Sarbanes-Oxley Act and business ethics.
6. Explain the difference between tax compliance and tax planning, given resources outlining the tax practice environment.
7. Develop the correct strategy to address the disposition of an asset in terms of gain or loss.
8. Examine the impact of classification of distributions and its tax consequences on corporations and shareholders.
9. Appraise the impact of income tax expense reporting upon company accounting practices.
10. Interpret the methods of cost-recovery deductions used for tax reporting.
11. Differentiate among types of business entities and the tax ramifications of each.
12. Explain the various types of business expenses and the deductibility of these expenses.

13. Explain how taxes impact the transfer of wealth and the related planning and fiduciary responsibilities associated with the taxation of gifts and estates.
14. Explain the income taxation of individuals and the related components that comprise the individual income tax calculation.

Learning Materials and References

Required Resources

Complete Textbook Package	New to this Course	Carried over from Previous Course(s)	Required for Subsequent Course(s)
Pope, T. R., & Anderson, K. E. (2014) <i>Federal taxation 2014 comprehensive</i> (27 th ed.). Upper Saddle River, NJ: Prentice Hall.		■	

Recommended Resources

Books and Professional Journals

- Dennis-Escoffier, S., & Fortin, K. (2012). *Taxation for decision makers* (2013 Ed.). Hoboken, NJ: Wiley.
- Spilker, B. C., et al. (2012). *McGraw-Hill's taxation of individuals and business entities 2013 edition*. New York: McGraw-Hill Company.

Professional Associations

- Tax Executives Institute
www.tei.org
"Tax Executives Institute, Inc. (TEI) is a professional organization of business executives. These individuals are responsible for taxation matters in their organization and are involved in policy making and administration of business taxation.
- AICPA
<http://www.aicpa.org>
The American Institute of Certified Public Accountants (AICPA) is the national professional organization of Certified Public Accountants (CPAs) in the United States. The AICPA supports CPAs by offering guidance and education. They also create the Uniform CPA exams as well as set the standards for audits.

ITT Tech Virtual Library (accessed via Student Portal | <https://studentportal.itt-tech.edu>)

- Auerbach, A. J. (Ed.). (2008). *Mergers and acquisitions*. Chicago, IL: University of Chicago Press.
- Razin A., & Slemrod, J. (Eds.). (2008). *Taxation in the global economy*. Chicago, IL: University of Chicago Press.

- Peckron, H. (2005). *Alternative minimum tax: What you need to know about the "other" tax*. Naperville, IL: Sphinx Publishing, an Imprint of Sourcebooks, Inc.
- Reuting, J. (2008). *Limited liability companies for dummies*. Hoboken, NJ: Wiley.
- Leonetti, J. M. (2008). *Exiting your business, protecting your wealth: A strategic guide for owners and their advisors*. Hoboken, NJ: Wiley.
- *Journal of State Taxation* (01/1/2000 to present) CCH Inc.

Guidance and insights from leading practitioners in state taxation.

- *Journal of Taxation* (01/01/1993 to present). Research Institute of America.

Articles, review articles, and commentary on new decisions and IRS actions for tax professionals.

- *Tax Executive* (07/1993 to present) Tax Executive Institute Inc.

Feature articles, technical submissions, news stories, commentary, profiles, book reviews and lists of books received on all aspects of taxation worldwide aimed at members of the Tax Executives Institute.

- Boucher, K. J., & Ponda, S. (2011). Current corporate income tax developments. *Tax Adviser*, 42(3), 187-195.

Other References

Books

- Dennis-Escoffier, S., & Fortin, K. (2012). *Taxation for decision makers* (2013 Ed.). Hoboken, NJ: Wiley.
- Spilker, B. C., et al. (2012) *McGraw-Hill's taxation of individuals and business entities 2013 edition*. New York: McGraw-Hill Company.

Periodicals

- Bloomberg BNA: <http://www.bna.com/tax-accounting-t5000/>
- Journal of Taxation <http://ria.thomsonreuters.com>
- Taxes the Tax Magazine <http://www.cchgroup.com>

Web Sites

- American Taxation Association
<http://aaahq.org/ata/index.htm> (accessed May 23, 2013)
The ATA page provides links to articles, research, and tax-related publications.
- Internal Revenue Bulletin
<http://www.irs.gov/irb/> (accessed May 23, 2013)
The IRB is the authoritative instrument for announcing official rulings and procedures of the IRS and for publishing Treasury decisions.

- Internal Revenue Service
<http://www.irs.gov> (accessed May 23, 2013)
The IRS, the nation's tax collection agency, administers the Internal Revenue Code enacted by Congress.
- National Association of Tax Professionals
<http://www.natptax.com/> (accessed May 23, 2013)
The official home page of NATP features links, articles, and resources.
- Tax, Accounting and Payroll Sites Directory
<http://www.taxsites.com> (accessed May 23, 2013)
This portal page is an index of web-based tax and accounting resources designed to be a starting point for searches for tax and accounting information, products, and services.
- Tax Almanac
http://www.taxalmanac.org/index.php/Revenue_Rulings (accessed May 23, 2013)

The free online tax research resource and community for tax professionals.

- Tax Analysts

<http://www.taxanalysts.com/> (accessed May 23, 2013)

This is the forum for research and debate of taxation issues.

- Tax Foundation
<http://www.taxfoundation.org> (accessed May 23, 2013)
This is the official web site of the Tax Foundation, a not-for-profit organization for tax education.
- Title 26 Internal Revenue Code
<http://www.law.cornell.edu/uscode/26/> (accessed May 23, 2013)
From Cornell University's Legal Information Institute, this site provides the complete Subtitles A-K.
- United States Tax Court
<http://www.ustaxcourt.gov> (accessed May 23, 2013)
This official web site for United States Tax Court provides opinions, rules, docket information, taxpayer information, and more.

NOTE: All links are subject to change without prior notice.

Information Search

Use the following keywords to search for additional online resources that may be used for supporting your work on the course assignments:

- Taxation equity
- Taxation certainty

- Taxation convenience
- Taxation economy
- Taxation simplicity
- Taxes and tax structures
- Tax base
- Tax rates
- IRS
- Tax compliance and procedure
- Tax research
- Tax planning and consulting
- Financial planning
- Simple Form 1040
- Standard deduction
- Sole proprietorship
- Deferring gain
- C corporations
- S corporations
- Personal exemptions
- Dependency exemptions
- Sec. 351
- Deferring gain
- Loss upon incorporation
- Constructive receipt
- Cash method
- Accrual method
- Gross income
- Alimony
- Cafeteria plan
- Employee benefits
- Non-cash compensation
- Annuity income
- Pension income
- Social security
- Scholarship benefit
- Life insurance
- Rental income
- Discharge of debt

- Claim of right
- Office in home
- Moving expenses
- Medical expenses
- Qualified residence interest
- Itemized deductions
- Charitable contributions
- Employee business expenses
- Travel and entertainment expenses
- Transportation expenses
- Automobile expenses
- Miscellaneous itemized deductions
- Constructive ownership
- Wash sale
- Hobby
- Related party
- Vacation rental
- Capital loss
- Net operating loss
- Casualty loss
- Bad debt
- Passive losses
- Capital gains and losses
- Marginal tax rates
- Original issue discount
- MACRS
- Recapture
- Section 179
- Bonus depreciation
- Intangibles
- Amortization
- Like-kind exchange
- Involuntary conversion
- Sections 1231, 1245, and 1250
- Dividends received deduction
- Affiliated group
- Consolidated return

- Intercompany transactions
- SRLY losses
- Valuation allowance
- Uncertain tax position
- Sec. 751
- Liquidating distribution
- Current distribution
- Partnership interest
- S corporation
- Pass-throughs
- Stock basis
- Built-in gains
- Earnings and profits
- Attribution
- Appreciated property
- Stock redemption
- Liquidation
- Distribution
- Reorganization
- Sec. 338
- Sec. 304
- Sec. 306
- Spin-off
- Split-off
- Merger
- Consolidation
- Divisive reorganization
- Bootstrap acquisition
- Gift tax
- Marital deduction
- Unified credit
- Gift splitting
- Below-market loans
- Estate Tax
- Gross estate
- Taxable estate
- Generation Skipping Transfer Tax

- Simple trust
- Complex trust
- Distributable Net Income (DNI)
- Grantor trust
- Revocable trust
- Reversionary interest trust
- Income in respect of a decedent
- Fiduciary
- Beneficiary
- Probate
- Uniform Act, Principal and Income
- Alternative Minimum Tax
- Refundable and nonrefundable credit
- Personal holding company
- Accumulated Earnings Tax
- Imputed interest
- Economic performance
- Substantial underpayment
- Statute of limitations
- Change of Accounting Method
- Long-term contract
- Negligence penalty
- Research Credit
- Foreign Tax Credit
- Self-employment Tax
- Child and Dependent Care Credit
- American Opportunity Credit and Lifetime Learning Credit
- General Business Credit
- Earned Income Credit
- Adoption Credit
- Accountant-Client Privilege
- Fraud penalty
- Innocent spouse
- Claim for refund

Suggested Learning Approach

In this course, you will be studying individually and within a group of your peers. As you work on the course deliverables, you are encouraged to share ideas with your peers and instructor, work collaboratively on projects and team assignments, raise critical questions, and provide constructive feedback.

Use the following advice to receive maximum learning benefits from your participation in this course:

DO	DON'T
<ul style="list-style-type: none"> ▪ Do take a proactive learning approach ▪ Do share your thoughts on critical issues and potential problem solutions ▪ Do plan your course work in advance ▪ Do explore a variety of learning resources in addition to the textbook ▪ Do offer relevant examples from your experience ▪ Do make an effort to understand different points of view ▪ Do connect concepts explored in this course to real-life professional situations and your own experiences 	<ul style="list-style-type: none"> ▪ Don't assume there is only one correct answer to a question ▪ Don't be afraid to share your perspective on the issues analyzed in the course ▪ Don't be negative about the points of view that are different from yours ▪ Don't underestimate the impact of collaboration on your learning ▪ Don't limit your course experience to reading the textbook ▪ Don't postpone your work on the course deliverables – work on small assignment components every day

Instructional Methods

The curriculum is designed to encourage a variety of teaching strategies that support the course objectives while fostering higher cognitive skills. This course will employ multiple methods to deliver content and inspire and engage you, including lectures, collaborative learning options, and hands-on activities. This course is composed of theory components. Your progress will be regularly assessed through assignments, exams, and a project.

Out-of-Class Work

For purposes of defining an academic credit hour for Title IV funding purposes, ITT Technical Institute considers a quarter credit hour to be the equivalent of: (a) at least 10 clock hours of classroom activities and at least 20 clock hours of outside preparation; (b) at least 20 clock hours of laboratory activities; or (c) at least 30 clock hours of externship, practicum or clinical activities. ITT Technical Institute utilizes a “time-based option” for establishing out-of-class activities which would equate to two hours of out-of-class activities for every one hour of classroom time. The procedure for determining credit hours for Title IV funding purposes is to divide the total number of classroom, laboratory, externship, practicum and clinical hours by the conversion ratios specified above. A clock hour is 50 minutes.

A credit hour is an artificial measurement of the amount of learning that can occur in a program course based on a specified amount of time spent on class activities and student preparation during the program course. In conformity with commonly accepted practice in higher education, ITT Technical Institute has institutionally established and determined that credit hours awarded for coursework in this program course (including out-of-class assignments and learning activities described in the “Course Outline” section of this syllabus) are in accordance with the time-based option for awarding academic credit described in the immediately preceding paragraph.

Course Outline

Unit 1: INTRODUCTION TO TAXATION				Total outside work: 5 hours
Upon completion of this unit, students are expected to:				
<ul style="list-style-type: none"> • Elaborate the objectives of federal income tax law. • Identify different taxable entities. • Define different types of taxes and tax rate structures. • Identify the sources of tax law. • Understand the administration procedures under tax law. • Explain the components of a tax practice and significance of tax research. • Discuss the effectiveness of computer applications in tax practice. 				
READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	Chapter 1, Individuals Chapter 1, Corporations	pp. I:1-1 to I:1-32 pp. C:1-1 to C:1-36	68
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			60 mins
	Tax Law Sources			60 mins
	Tax Strategy Problem			60 mins
	Tax Research Problem			60 mins
Internet Activity			60 mins	
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title		Grade Allocation (% of all graded work)
	Assignment	Unit 1 Assignment 1: Tax Rates		1.5%
		Unit 1 Assignment 2: Comparison of Tax Entities		1.5%

Unit 2: INCOME TAXATION OF INDIVIDUALS AND SOLE PROPRIETORSHIPS				Total outside work: 6 hours
Upon completion of this unit, students are expected to:				
<ul style="list-style-type: none"> • Understand the terminology used for taxation purposes. • Explain the formula used for computing taxation of individuals. • Discuss the components of deductions and exemptions in calculating tax liability of individuals. • Explain the formula used for computing taxation of corporations. • Describe alternative business forms: sole proprietorships, partnerships, C corporations, and S corporations. • Discuss the tax consequences of Sec 351: Deferring gain or loss upon incorporation. 				
READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	Chapter 2, Individuals Chapter 2, Corporations	pp. I:2-1 to I:2-36 pp. C:2-1 to C:2-36	68
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			20 mins
	Tax Form Preparation			50 mins
	Tax Research			30 mins

	Tax Strategy		30 mins
	Tax Strategy		30 mins
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title	Grade Allocation (% of all graded work)
	Assignment	Unit 2 Assignment 1: Marriage and Taxes	2%
		Unit 2 Assignment 2: Incorporating a Sole Proprietorship	1.5%

Unit 3: DETERMINING GROSS INCOME				Total outside work: 6 hours
Upon completion of this unit, students are expected to:				
<ul style="list-style-type: none"> Determine when a particular item of income is taxable under cash, accrual, and hybrid methods of reporting. Examine the items included in gross income under rules of Sec. 61(a). Examine the items that are considered as major statutory exclusions such as gifts, inheritances, scholarships, employee fringe benefits, and others. 				
READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	Chapter 3, Individuals Chapter 4, Individuals	pp. 1:3-1 to 1:3-31 pp. 1:4-1 to 1:4-25	56
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			60 mins
	Constructive Receipt			60 mins
	Tax Research—Gross Income			60 mins
	Case Study—Alimony			60 mins
	Tax Return Form Preparation			60 mins
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title	Grade Allocation (% of all graded work)	
	Assignment	Unit 3 Assignment 1: Cash and Accrual Methods	2%	
		Unit 3 Assignment 2: Scholarships and Employee Benefits	1.5%	

Unit 4: ITEMIZED DEDUCTIONS AND EMPLOYEE COMPENSATION				Total outside work: 6 hours
Upon completion of this unit, students are expected to:				
<ul style="list-style-type: none"> Determine the tax treatment of itemized deductions such as medical expenses deduction, taxes, interest, and charitable contributions. Determine the tax treatment and employee reimbursement of business expenses such as travel, transportation, and entertainment expenses. Explain the tax requirements for deductible moving expenses, education expenses, and expenses of an office in home. Discuss the treatment and requirements for various deferred compensation arrangements such as pension, retirement plans, IRAs, and others. 				
READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	Chapter 7, Individuals Chapter 9, Individuals	pp. 1:7-1 to 1:7-36 pp. 1:9-1 to 1:9-50	86
OUT-OF-CLASS WORK	Activity			Estimated Time

	Complete the reading assignment	60 mins	
	Interest	30 mins	
	Charitable Contributions	40 mins	
	Moving Expenses	30 mins	
	Education Expenses	30 mins	
	Office in Home	45 mins	
	IRA	45 mins	
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title	Grade Allocation (% of all graded work)
	Assignment	Unit 4 Assignment 1: Deduction of Taxes	1.5%
		Unit 4 Assignment 2: Business/Personal Travel Expenses	1.5%

Unit 5: BUSINESS EXPENSES

Upon completion of this unit, students are expected to:

- Discuss the criteria for deducting business and investment expenses.
- Explain the timing of deductions under both the cash and accrual methods of accounting.
- Discuss special disallowance rules in respect of wash sales, transactions between related parties, hobby losses and vacation homes.
- Identify transactions that may result in losses and their proper classification.
- Discuss losses related to passive activities.
- Identify and calculate the deduction for a casualty or theft loss.
- Compute the deduction for a bad debt and net operating losses.

Total outside work:
6 hours

READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
		Pope, T. R., & Anderson, K. E.	Chapter 6, Individuals Chapter 8, Individuals	pp. I:6-1 to I:6-38 pp. I:8-1 to I:8-35
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			60 mins
	Expense Recognition			60 mins
	Vacation Home Rental			60 mins
	Passive Losses			40 mins
	Tax Return Preparation			90 mins
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title		Grade Allocation (% of all graded work)
	Assignment	Unit 5 Assignment 1: Related Party Transactions /Hobby Losses		1.5%
		Unit 5 Assignment 2: Passive Losses/Theft Losses		1.5%

Unit 6: PROPERTY TRANSACTIONS

Upon completion of this unit, students are expected to:

- Determine the realized gain or loss from the sale or other disposition of property.
- Discuss how capital gains and losses affect taxable income.
- Determine the holding period for an asset when a sale or disposition occurs.
- Understand tax depreciation and amortization.

Total outside work:
6 hours

<ul style="list-style-type: none"> Discuss the tax consequences arising from like-kind exchange, involuntary conversions, and sale of principal residence. Explain tax treatment for Sec. 1231 transactions. Describe recapture provisions and applications. 				
READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	Chapter 5, Individuals Chapter 10, Individuals Chapter 12, Individuals Chapter 13, Individuals	pp. I:5-1 to I:5-40 pp. I:10-1 to I:10-27 pp. I:12-1 to I:12-24 pp. I:13-1 to I:13-28	119
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			60 mins
	Complete Unit 6 Assignment 1: Comprehensive Problem			60 mins
	Recapture of Depreciation			30 mins
	Tax Return Form Preparation			60 mins
	Amortization of Intangibles			30 mins
	Like Kind Exchange			40 mins
	Sec. 1245 Recapture			45 mins
Sec. 1250 Recapture			45 mins	
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title		Grade Allocation (% of all graded work)
	Assignment	Unit 6 Assignment 1: Comprehensive Problem		1.5%
	Exam	Midterm Exam		15%

Unit 7: TAXATION OF CORPORATIONS AND PARTNERSHIPS

Upon completion of this unit, students are expected to:

- Compute a corporation's taxable income and income tax liability.
- Calculate consolidated taxable income for a consolidated group.
- Discuss partnership elections, partnership reporting of income, and basis for partnership interest.
- Discuss the tax consequences of current and liquidating distributions and terminating an investment in a partnership.
- Explain S corporation requirements and election procedures.
- Discuss the taxation of S corporation income and gains that pass through to the shareholders and the treatment of S distributions.

**Total
outside
work:
6 hours**

READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	Chapter 3, Corporations Chapter 8, Corporations Chapter 9, Corporations Chapter 10, Corporations Chapter 11, Corporations	pp. C:3-1 to C:3-54 pp. C:8-1 to C:8-41 pp. C:9-1 to C:9-34 pp. C:10-1 to C:10-35 pp. C:11-1 to C:11-39	203
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			60 mins
	Reconciling Book Income and Taxable Income			20 mins
	Tax Return Form Preparation			50 mins
	Current Distribution with Sec. 751			30 mins
	Pass-Throughs and Stock Basis Adjustments			50 mins
Comprehensive Problem			50 mins	

GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title	Grade Allocation (% of all graded work)
	Assignment	Unit 7 Assignment 1: Taxable Income and Income Tax Liability	2%
	Unit 7 Assignment 2: Death of a Partner	1.5%	

Unit 8: CORPORATE ACQUISITIONS, DISTRIBUTIONS, AND REORGANIZATIONS

Upon completion of this unit, students are expected to:

- Determine the tax consequences of nonliquidating distributions and stock dividends.
- Explain the tax treatment of stock redemption, preferred stock bailouts, and stock sales.
- Determine the tax consequences to the liquidating corporation when the general liquidation rules apply.
- Determine the tax consequences of liquidating a controlled subsidiary corporation.
- Distinguish between taxable and nontaxable acquisitions.
- Explain the tax consequences of a reorganization.
- Discuss major acquisitive, divisive, and other reorganizations.

Total outside work:
6 hours

READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
		Pope, T. R., & Anderson, K. E.	Chapter 4, Corporations Chapter 6, Corporations Chapter 7, Corporations	pp. C:4-1 to C:4-37 pp. C:6-1 to C:6-21 pp. C:7-1 to C:7-51
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			60 mins
	Distribution of Various Types of Property			60 mins
	Gain or Loss on Liquidating Distribution			40 mins
	Liquidation of a Subsidiary Corporation			30 mins
	Sec. 338 Election			30 mins
Distribution of Stock			30 mins	
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title	Grade Allocation (% of all graded work)	
	Assignment	Unit 8 Assignment 1: Current E&P Calculation	2%	
		Unit 8 Assignment 2: Comparison of Dividends and Redemptions	2%	
		Unit 8 Assignment3 Determining the Type of Reorganization Transaction	1.5%	

Unit 9: WEALTH ACCUMULATION

Upon completion of this unit, students are expected to:

- Describe the gift tax formula.
- Identify exclusions and deductions available for gift tax purposes.
- Describe the formula for the estate tax.
- Identify exclusions and deductions available for estate tax purposes.
- Calculate the tax liability of a trust or estate.
- Determine the taxable income of a simple and complex trust and an estate.

Total outside work:
6 hours

READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	Chapter 12, Corporations Chapter 13, Corporations Chapter 14, Corporations	pp. C:12-1 to C:12-32 pp. C:13-1 to C:13-35 pp. C:14-1 to C:14-35	102
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			60 mins
	Gift Tax Return Tax Preparation			60 mins
	Internet Research Problem			40 mins
	Comprehensive Problem			90 mins
Estate Tax Return Preparation			60 mins	
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title		Grade Allocation (% of all graded work)
	Assignment	Unit 9 Assignment 1: Recognition of Transactions Treated as Gifts		2%
		Unit 9 Assignment 2: Deductions, Accounting Income, and Exclusions		1.5%

Unit 10: TAX PRACTICE ENVIRONMENT

Upon completion of this unit, students are expected to:

- Explain the role of the Internal Revenue Service.
- Explain how returns are selected for audit and the alternatives available to taxpayers whose returns are audited.
- Discuss various tax-related penalties.
- Discuss the provisions of the Sarbanes-Oxley Act.
- Calculate the individual's and corporation's alternative minimum tax liability.
- Calculate the personal holding company tax and accumulated earnings tax.
- Describe the various business and personal tax credits.
- Explain the rules for adopting and changing an accounting period.
- Compute the amount of imputed interest in a transaction.

**Total
outside
work:
6 hours**

READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	Chapter 11, Individuals Chapter 14, Individuals Chapter 5, Corporations Chapter 15, Corporations	pp. I:11-1 to I:11-30 pp. I:14-1 to I:14-34 pp. C:5-1 to C:5-38 pp. C:15-1 to C:15-36	153
OUT-OF-CLASS WORK	Activity			Estimated Time
	Complete the reading assignment			60 mins
	Regular Tax and AMT Calculations			30 mins
	Unreasonable Accumulation of Earnings			30 mins
	Computation of Tax Credits			30 mins
	Periods			40 mins
	Tax Research Problem			60 mins
Penalties			60 mins	

Unit 11: COURSE REVIEW AND FINAL EXAMINATION

Upon completion of this unit, students are expected to:

**Total
outside
work:
3 hours**

• All course objectives				
READING ASSIGNMENT	Author	Chapter/Title	Pages (if necessary)	Total Pages
	Pope, T. R., & Anderson, K. E.	None		
OUT-OF-CLASS WORK	Activity			Estimated Time
	None			
GRADED ACTIVITIES / DELIVERABLES	Grading Category	Activity/Deliverable Title		Grade Allocation (% of all graded work)
	Assessment	Final Exam		20%
	Project	Project Part 1: Submission		15%
		Project Part 2: Submission		20%

Note: Your instructor may add a few learning activities that are ungraded.

Evaluation and Grading

Evaluation Criteria

The graded assignments will be evaluated using the following weighted categories:

Category	In-Class	Out-of-Class	Weight
Assignment	0%	30%	30%
Project	0%	30%	30%
Exam	40%	0%	40%
TOTAL	40%	60%	100%

Grade Conversion

The final grades will be calculated from the percentages earned in the course, as follows:

Grade	Percentage
A (4.0)	90–100%
B+ (3.5)	85–89%
B (3.0)	80–84%
C+ (2.5)	75–79%
C (2.0)	70–74%
D+ (1.5)	65–69%
D (1.0)	60–64%
F (0.0)	<60%

Academic Integrity

All students must comply with the policies that regulate all forms of academic dishonesty or academic misconduct, including plagiarism, self-plagiarism, fabrication, deception, cheating, and sabotage. For more information on the academic honesty policies, refer to the Student Handbook and the Course Catalog.

(End of Syllabus)