

**ITT Technical Institute**

**BU214**

**Fundamentals of Tax Preparation**

**Onsite and Online Course**

# **SYLLABUS**

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**Credit hours:** 4


**Contact/Instructional hours:** 50 (30 Theory Hours, 20 Lab Hours)

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

Prerequisite: BU213 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.



## COURSE SUMMARY

### 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.

### MAJOR INSTRUCTIONAL AREAS

1. Fundamentals of taxation and the tax practice environment
2. Determination of gross income and expenses
3. Tax law
4. Basic property and transaction concepts
5. Introduction to business taxation and the taxation of individuals

### COURSE LEARNING OBJECTIVES

By the end of this course, you should be able to:

1. Compare and contrast how a corporate tax model and an individual tax model exist currently.
2. Explain the three major taxable entities.
3. Differentiate between the tax rate systems.
4. Using scenarios that provide data for individuals and corporations, prepare a table that shows how taxable income and tax rates are based on different variables.
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. Given resources, outline the tax practice environment, and construct a scenario that demonstrates the difference between tax compliance and tax research.
7. Develop the correct strategy to address the disposition of an asset in terms of gain or loss.
8. Perform a comparative analysis of two different businesses that are affected by tax-deferred exchanges.

9. Appraise the impact upon company accounting practices for income tax expense reporting.
10. Interpret the methods of cost recovery deductions used for tax reporting, including how they affect the after-tax cost of the assets, such as automobiles, equipment, and land.
11. Discuss earnings for all of the studied entities introduced previously, and offer the methods of distribution of income as it impacts the taxable income of a corporation.
12. Explain how estate property is valued and how it relates to the unified credit for estate tax.

## COURSE OUTLINE

### MODULE 1: INTRODUCTION TO TAXATION

#### COURSE LEARNING OBJECTIVES COVERED

- Compare and contrast how a corporate tax model and an individual tax model exist currently.
- Explain the three major taxable entities.
- Given resources, outline the tax practice environment, and construct a scenario that demonstrates the difference between tax compliance and tax research.

#### TOPICS COVERED

- Introduction to Taxation
- Taxable Entities
- Tax Rate Structures
- Tax Research
- Taxable Income for Individuals

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Pope and Anderson, Individual Section, Ch. 1 (Ind1-1-1-26) and Ch. 2 (Ind2-1-2-30) and Corporate Section, Ch. 1 (Corp1-1-1-35) and Ch. 2 (Corp2-1-2-20)	No	9 hr
<b>Lesson:</b> Study the lesson for this module.	No	1 hr
<b>Discussion:</b> Participate in the discussion titled “Sources of Tax Research.”	Yes	N/A
<b>Lab:</b> Complete the lab titled “Taxable Entities.”	Yes	N/A
<b>Project:</b> Read and begin the course project.	No	0.5 hr

Total Out-Of-Class Activities: 10.5 Hours

## MODULE 2: DETERMINING TAXABLE INCOME FOR INDIVIDUALS

### COURSE LEARNING OBJECTIVES COVERED

- Differentiate between the tax rate systems.
- Using scenarios that provide data for individuals and corporations, prepare a table that shows how taxable income and tax rates are based on different variables.
- Develop the correct strategy to address the disposition of an asset in terms of gain or loss.

### TOPICS COVERED

- Conditions for Taxable Income
- Inclusions in Gross Income
- Exclusions to Taxable Income
- Tax Treatment of Gain, Loss, Deductible Expenses, and Bad Debts
- Itemized Deductions

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Pope and Anderson, Individual Section, Ch. 3 (Ind3-1-3-27), Ch. 4 (Ind4-1-4-24), Ch. 5 (Ind5-1-5-22), Ch. 6 (Ind6-1-6-37), Ch. 7 (Ind7-1-7-35) and Ch. 8 (Ind8-1-8-34)	No	17 hr
<b>Lesson:</b> Study the lesson for this module.	No	2 hr
<b>Discussion:</b> Participate in the discussion titled “Concepts of Gains and Losses.”	Yes	N/A
<b>Lab:</b> Complete the lab titled “Calculating Gross Income.”	Yes	N/A
<b>Project:</b> Continue work on Project Part 1.	No	1 hr

Total Out-Of-Class Activities: 20 Hours

### MODULE 3: OTHER TAX CONSIDERATIONS FOR INDIVIDUALS

#### COURSE LEARNING OBJECTIVES COVERED

- Compare and contrast how a corporate tax model and an individual tax model exist currently.
- Explain the three major taxable entities.
- Differentiate between the tax rate systems.
- Using scenarios that provide data for individuals and corporations, prepare a table that shows how taxable income and tax rates are based on different variables.
- 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.
- Given resources, outline the tax practice environment, and construct a scenario that demonstrates the difference between tax compliance and tax research.
- Develop the correct strategy to address the disposition of an asset in terms of gain or loss.
- Perform a comparative analysis of two different businesses that are affected by tax-deferred exchanges.
- Appraise the impact upon company accounting practices for income tax expense reporting.
- Interpret the methods of cost recovery deductions used for tax reporting, including how they affect the after-tax cost of the assets, such as automobiles, equipment, and land.
- Discuss earnings for all of the studied entities introduced previously, and offer the methods of distribution of income as it impacts the taxable income of a corporation.

#### TOPICS COVERED

- Tax Considerations Regarding Employee Expenses
- Depreciation and Amortization

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Pope and Anderson, <i>Individual Section, Ch. 9 (Ind9-1–9-44)</i> , Ch. 10 (Ind10-1–10-27), Ch. 12(Ind12-1–12-21), and Ch. 13 (Ind13-	No	11 hr

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
1-13-8)		
<b>Lesson:</b> Study the lesson for this module.	No	2 hr
<b>Exam:</b> Prepare for Exam 1.	No	5 hr
<b>Discussion:</b> Participate in the discussion titled “Tax Depreciation and Amortization.”	Yes	N/A
<b>Lab:</b> Complete the lab titled “Tax Form/Return Preparation.”	Yes	N/A
<b>Project:</b> Continue work on Project Part 1.	No	1 hr
<b>Exam:</b> Take Exam 1.	Yes	N/A

Total Out-Of-Class Activities: 19 Hours

## MODULE 4: DETERMINING THE TAX LIABILITY OF CORPORATES

### COURSE LEARNING OBJECTIVES COVERED

- Compare and contrast how a corporate tax model and an individual tax model exist currently.
- Differentiate between the tax rate systems.
- Using scenarios that provide data for individuals and corporations, prepare a table that shows how taxable income and tax rates are based on different variables.
- Given resources, outline the tax practice environment, and construct a scenario that demonstrates the difference between tax compliance and tax research.
- Perform a comparative analysis of two different businesses that are affected by tax-deferred exchanges.
- Appraise the impact upon company accounting practices for income tax expense reporting.
- Interpret the methods of cost recovery deductions used for tax reporting, including how they affect the after-tax cost of the assets, such as automobiles, equipment, and land.
- Discuss earnings for all of the studied entities introduced previously, and offer the methods of distribution of income as it impacts the taxable income of a corporation.

### TOPICS COVERED

- Taxable Income for Corporations
- Income Tax Liability for Corporations
- Tax Consideration for Earnings and Profits

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Pope and Anderson, <i>Corporate Section, Ch. 3 (Corp3-1-3-24), Ch. 4 (Corp4-1-4-33), Ch. 6 (Corp6-3-6-9), Ch. 7 (Corp7-2-7-10), and Ch. 8 (Corp8-2-8-10)</i>	No	9 hr
<b>Lesson:</b> Study the lesson for this module.	No	2 hr
<b>Discussion:</b> Participate in the discussion titled “Accounting Practices and Income Tax Reporting.”	Yes	N/A
<b>Lab 1:</b> Complete the lab titled “Computing Taxable Income and Tax Liability for Corporates.”	Yes	N/A



MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Lab 2:</b> Complete the lab titled “E and P Calculation.”	Yes	N/A
<b>Project:</b> Submit Project Part 1.	Yes	3 hr

Total Out-Of-Class Activities: 14 Hours

## MODULE 5: OTHER TAX CONSIDERATIONS FOR CORPORATES

### COURSE LEARNING OBJECTIVES COVERED

- Differentiate between the tax rate systems.
- Using scenarios that provide data for individuals and corporations, prepare a table that shows how taxable income and tax rates are based on different variables.
- 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.
- Given resources, outline the tax practice environment, and construct a scenario that demonstrates the difference between tax compliance and tax research.
- Develop the correct strategy to address the disposition of an asset in terms of gain or loss.
- Perform a comparative analysis of two different businesses that are affected by tax-deferred exchanges.
- Appraise the impact upon company accounting practices for income tax expense reporting.
- Interpret the methods of cost recovery deductions used for tax reporting, including how they affect the after-tax cost of the assets, such as automobiles, equipment, and land.
- Discuss earnings for all of the studied entities introduced previously, and offer the methods of distribution of income as it impacts the taxable income of a corporation.

### TOPICS COVERED

- Tax Issues for Corporates and Partnerships
- Consolidated Tax Returns
- Impact of Corporate Activities on Tax Liability
- Gift Tax

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Pope and Anderson, <i>Corporate Section, Ch. 9, Ch. 10, Ch. 11, and Ch. 12</i> (Corp12-1-12-21)	No	4 hr
<b>Lesson:</b> Study the lesson for this module.	No	2 hr

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Discussion:</b> Participate in the discussion titled “Gift Tax vs. Estate Tax.”	Yes	N/A
<b>Lab 1:</b> Complete the lab titled “Determination of Pass-Throughs and Stock Basis Adjustments.”	Yes	N/A
<b>Lab 2:</b> Complete the lab titled “Partnership and Taxation.”	Yes	N/A
<b>Project:</b> Submit Project Part 2.	Yes	4 hr
<b>Exam:</b> Prepare for Exam 2.	No	5 hr

Total Out-Of-Class Activities: 15 Hours

## MODULE 6: DETERMINING ESTATE TAX

### COURSE LEARNING OBJECTIVES COVERED

- Compare and contrast how a corporate tax model and an individual tax model exist currently.
- Explain the three major taxable entities.
- Differentiate between the tax rate systems.
- Using scenarios that provide data for individuals and corporations, prepare a table that shows how taxable income and tax rates are based on different variables.
- 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.
- Develop the correct strategy to address the disposition of an asset in terms of gain or loss.
- Perform a comparative analysis of two different businesses that are affected by tax-deferred exchanges.
- Appraise the impact upon company accounting practices for income tax expense reporting.
- Discuss earnings for all of the studied entities introduced previously, and offer the methods of distribution of income as it impacts the taxable income of a corporation.
- Explain how estate property is valued and how it relates to the unified credit for estate tax.

### TOPICS COVERED

- Estate Tax

MODULE LEARNING ACTIVITIES	GRADE D	OUT-OF- CLASS TIME
<b>Reading:</b> Pope and Anderson, <i>Corp13 (Corp13-2-13-27) and Corp14 (Corp14-2-14-10)</i>	No	7 hr
<b>Lesson:</b> Study the lesson for this module.	No	2 hr
<b>Lab:</b> Complete the lab titled “Estate Tax Computation.”	Yes	N/A

MODULE LEARNING ACTIVITIES	GRADE D	OUT-OF- CLASS TIME
<b>Exam:</b> Take Exam 2.	Yes	N/A

Total Out-Of-Class Activities: 9 Hours

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**EVALUATION CRITERIA**

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

<b>CATEGORY</b>	<b>WEIGHT</b>
Lab	30%
Discussion	15%
Project	25%
Exam	30%
<b>TOTAL</b>	<b>100%</b>

**GRADE CONVERSION**

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

<b>GRADE</b>	<b>PERCENTAGE</b>
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%

## LEARNING MATERIALS AND REFERENCES

### REQUIRED RESOURCES

#### COMPLETE TEXTBOOK PACKAGE

Pope, T.R., & Anderson, K.E. (2016). *Prentice Hall's Federal Taxation 2016 Comprehensive* (29th ed.).

### RECOMMENDED RESOURCES

- ITT Tech Virtual Library (accessed via Student Portal | <https://studentportal.itt-tech.edu>)
  - ITT Tech Virtual Library> Basic Search
    - BEPS case study. (2013). *International Tax Review*, 24(3), 25.
    - Ditkoff, J. (2013). Why I worry about US corporate tax reform. *International Tax Review*, 24(2), 15.
    - Foley, S., & McGrew, L. (2013). US Outbound: US Tax Court reduces section 965 dividends received deduction in BMC Software. *International Tax Review*, 24(10), 60.
    - Georgopoulos, T. (2010). Can Tax Authorities Scrutinise the Ideas of Foreign Charities? The ECJ's Persche Judgment and Lessons from US Tax Law. *European Law Journal*, 16(4), 458-476. doi:10.1111/j.1468-0386.2010.00518.x.
    - How to navigate permanent establishment in the US. (2011). *International Tax Review*, 22(7), 2.
    - US international tax developments in 2013. (2013). *International Tax Review*, 24(10), 29.
  - Other References
    - Internal Revenue Service  
<http://www.irs.gov/>
    - Tax Filing  
<http://www.usa.gov/Citizen/Topics/Money/Taxes.shtml>

## INSTRUCTIONAL METHODS AND TEACHING STRATEGIES

The curriculum employs a variety of instructional methods that support the course objectives while fostering higher cognitive skills. These methods are designed to encourage and engage you in the learning process in order to maximize learning opportunities. The instructional methods include but are not limited to lectures, collaborative learning options, use of technology, and hands-on activities.

To implement the above-mentioned instructional methods, this course uses several teaching strategies, such as lessons and labs. Your progress will be regularly assessed through a variety of assessment tools including labs, discussions, project, and exams.

## 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.



**ACADEMIC INTEGRITY**

All students must comply with the policies that regulate all forms of academic dishonesty or academic misconduct. For more information on the academic honesty policies, refer to the Student Handbook and the School Catalog.

**INSTRUCTOR DETAILS**

Instructor Name	
Office Hours	
Contact Details	

*(End of Syllabus)*