

COURSE SYLLABUS

LAST REVIEW	Spring 2021
COURSE TITLE	Income Tax Procedures
COURSE NUMBER	BUSN 0164
DIVISION	Math, Science, Business & Technology
DEPARTMENT	Business
CIP CODE	24.0101, 52.0305
CREDIT HOURS	3
CONTACT HOURS/WEEK	Class: 3
PREREQUISITES	None
COURSE PLACEMENT	Students must meet the correct placement measure for this course. Information may be found at: https://www.kckcc.edu/admissions/information/mandatory-evaluation-placement.html

COURSE DESCRIPTION

Income Tax Procedures is designed to provide an overview of our Federal income tax system. Students will learn about their rights and responsibilities as taxpayers. This course will emphasize both income tax theory and practical application of income tax laws for individuals and small businesses.

Effective Spring 2005, if you are a Business major, you must have a "C" or better in all business courses to meet the requirements of the business degree program.

PROGRAM LEARNING OUTCOMES

Accounting AAS Program Learning Outcomes

3. Operating within the legal framework

Be able to use the Internal Revenue Code as it relates to individual income taxes and laws governing business operations.

5. Technology and communication in business

Demonstrate the ability to communicate and utilize technology in a business environment.

TEXTBOOKS

<http://kckccbookstore.com/>

METHODS OF INSTRUCTION

A variety of instructional methods may be used depending on content area. These include but are not limited to: lecture, multimedia, cooperative/collaborative learning,

labs and demonstrations, projects and presentations, speeches, debates, panels, conferencing, performances, and learning experiences outside the classroom. Methodology will be selected to best meet student needs.

COURSE OUTLINE

- I. THE INDIVIDUAL INCOME TAX RETURN
 - A. History and objectives of the tax system
 - B. Reporting and taxable entities
 - C. The tax formula for individuals
 - D. Who must file and where to file
 - E. Filing status and tax computation
 - F. The standard deduction
 - G. Gains and losses
 - H. Tax and the Internet
- II. GROSS INCOME AND EXCLUSIONS
 - A. The nature of gross income
 - B. Interest and dividend income
 - C. Alimony
 - D. Prizes and awards
 - E. Annuities
 - F. Life insurance
 - G. Gifts and inheritances
 - H. Scholarships
 - I. Accident and health insurance
 - J. Meals and lodging
 - K. Municipal bond interest
 - L. Social security benefits
 - M. Unemployment compensation
- III. BUSINESS EXPENSES AND RETIREMENT PLANS
 - A. Rental income and expenses
 - B. Bad debts
 - C. Inventories
 - D. Net operating losses
 - E. Individual retirement accounts (IRAs)
 - F. Keogh (H.R. 10 Plans)
 - G. Qualified retirement plans including Section 401(k) plans
 - H. Rollovers
- IV. SELF-EMPLOYED AND EMPLOYEE EXPENSES
 - A. Classification of deductions
 - B. Travel expenses
 - C. Transportation
 - D. Office in the home
 - E. Entertainment
 - F. Educational expenses

- G. Dues, subscriptions, and publications
- H. Special clothing and uniforms
- I. Business gifts
- J. Schedule C
- V. ITEMIZED AND CERTAIN OTHER DEDUCTIONS
 - A. Medical expenses
 - B. Taxes
 - C. Interest
 - D. Contributions
 - E. Casualty and theft losses
 - F. Miscellaneous deductions
 - G. Moving expenses
 - H. Hobby losses
- VI. CREDITS AND SPECIAL TAXES
 - A. Child tax credit
 - B. Earned income credit
 - C. Child and dependent care credit
 - D. Education tax credits
 - E. Unearned income of minor children
- VII. ACCOUNTING PERIODS AND METHODS AND DEPRECIATION
 - A. Accounting periods
 - B. Accounting methods
 - C. Depreciation
 - D. Modified Accelerated Cost Recovery Systems (MACRS)
 - E. Election to expense
 - F. Listed property
 - G. Limitation on depreciation of luxury automobiles
- VIII. CAPITAL GAINS AND LOSSES
 - A. What is a capital asset?
 - B. Holding period
 - C. Calculation of gain or loss
 - D. Net capital gains
 - E. Net capital losses
 - F. Capital gains and casualty gains and losses
 - G. Installment sales
 - H. Like-kind exchanges
 - I. Involuntary conversions
 - J. Sale of a personal residence
- IX. WITHHOLDING, ESTIMATED PAYMENTS, AND PAYROLL TAXES
 - A. Withholding methods
 - B. Estimated payments
 - C. The FICA tax
 - D. Federal tax deposit system
 - E. Employer reporting requirements

- F. Self-employment tax
- G. The FUTA tax
- X. PARTNERSHIP TAXATION
 - A. Nature of partnership taxation
 - B. Partnership formation
 - C. Partnership income reporting
 - D. Current distributions and guaranteed payments
 - E. Tax years
 - F. Transactions between partners and the partnership
 - G. The at-risk rules
 - H. Limited liability companies
- XI. THE CORPORATE INCOME TAX
 - A. Corporate tax rates
 - B. Corporate gains and losses
 - C. Special deductions and limitations
 - D. Schedule M-1
 - E. Filing requirements and estimated tax
 - F. S Corporations
 - G. Corporate formation
 - H. Corporate accumulations
- XII. TAX ADMINISTRATION AND TAX PLANNING
 - A. The Internal Revenue Service
 - B. The audit process
 - C. Interest and penalties
 - D. Statute of limitations
 - E. Preparers, proof, and privilege
 - F. Electronic filing (E-filing)
 - G. The Taxpayer Bill of Rights
 - H. Tax planning

COURSE LEARNING OUTCOMES AND COMPETENCIES

Upon successful completion of this course, the student will:

Be able to determine includable income and exclusions from gross income.

1. Be able to define income for tax purposes.
2. Be able to list the types of income that are taxable.
3. Be able to describe the types of income that are excludable from gross income.

Be able to identify deductions and losses which are allowable.

4. Be able to describe the general requirements for a deduction.
5. Be able to classify deductions as for or from adjusted gross income.
6. Be able to compute allowable education, moving, and home office expenses.
7. Be able to discuss the rules for travel, transportation, and entertainment expenses.

8. Be able to compute depreciation for assets using the Modified Accelerated Cost Recovery System (MACRS).
9. Be able to describe the limitations on depreciation deductions for certain assets.
10. Be able to describe the rules for allowable itemized deductions.

Be able to demonstrate a knowledge of available tax credits and retirement accounts.

11. Be able to calculate the various credits allowable for individuals.
12. Be able to describe the rules for traditional and Roth IRAs.
13. Be able to analyze the income tax consequences of withdrawals from various retirement accounts.

Be able to summarize the tax laws related to property transactions.

14. Be able to calculate the basis of property under different acquisition scenarios.
15. Be able to discuss situations in which losses are disallowed.
16. Be able to apply the rules on the sale of a personal residence.
17. Be able to discuss the rules of like-kind exchanges.
18. Be able to describe the special rules that apply to capital gains and losses.

Be able to describe the unique tax aspects of partnerships and corporations.

19. Be able to discuss the rules of partnership and corporation formation.
20. Be able to describe the filing requirements for partnerships and corporations.
21. Be able to discuss the benefits of S Corporation election.

Be able to describe taxpayers' rights and responsibilities with regard to filing of tax returns and payment of tax liabilities.

22. Be able to demonstrate knowledge of individual filing requirements.
23. Be able to discuss the rules regarding the statute of limitations.
24. Be able to describe the requirements that must be followed by professional tax preparers.
25. Be able to summarize the Taxpayer Bill of Rights.

ASSESSMENT OF COURSE LEARNING OUTCOMES AND COMPETENCIES

Student progress is evaluated through both formative and summative assessment methods. Specific details may be found in the instructor's course information document.

COLLEGE POLICIES AND PROCEDURES

Student Handbook

<https://www.kckcc.edu/files/docs/student-resources/student-handbook-and-code-of-conduct.pdf>

College Catalog

<https://www.kckcc.edu/academics/catalog/index.html>

College Policies and Statements

<https://www.kckcc.edu/about/policies-statements/index.html>

Accessibility and Accommodations

<https://www.kckcc.edu/academics/resources/student-accessibility-support-services/index.html>.