COURSE OUTLINE

Course Number **ACC203**	**Course Title** **Federal Income Taxation**	**Credits** **3**
Hours: **3 Lecture**	**Pre Requisite** **ACC111 with a minimum grade of "C"**	**Implementation** **Semester** **Spring 2022**

Catalog description:

A study of income taxation as it applies to small businesses and individual taxpayers. Topics covered include: gross income, exclusions, deductions, credits, exemptions, and capital gains. Computerized software is used to prepare tax returns.

General Education Category: **Not Gen Ed**	**Course coordinator**: Josie Mathias, 609-570-3441, mathiasj@mccc.edu

Required texts & Other materials:

Rupert, Anderson. , Hulse *Pearson's Federal Taxation Individual, 2022* Prentice Hall, Inc., ISBN-13: 9780137458738

Course Student Learning Outcomes (SLO):

Upon successful completion of this course the student will be able to:

1. **Analyze financial data and tax rules in order to prepare tax returns for individuals** [Supports ILG #1, #2, #9; PLO #2 , (PLO#3, PLO#5, PLO#6]
2. **Analyze financial data and tax rules in order to prepare tax returns for small businesses** [Supports ILG #1, #2, #9; PLO #2 ,PLO#3]
3. **Research tax laws as they pertain to individuals** [Supports ILG #1, #2, #9; PLO #2, PLO#6]
4. **Research tax laws as they pertain to small businesses** [Supports ILG #1, #2, #9; PLO #2, PLO#6]
5. **Communicate to clients the results of research and calculations.** [Supports ILG #1, #9; #11, PLO#1, PLO#5, PLO#6]
6. **Research and discuss the history of taxation in the United States** [Supports ILG #7, PLO #1, #7, PLO#6]

Course-specific Institutional Learning Goals (ILG):

Institutional Learning Goal 1. Written and Oral Communication in English. Students will communicate effectively in both speech and writing.

Institutional Learning Goal 2. Mathematics. Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.

Institutional Learning Goal 7. History. Students will understand historical events and movements in World, Western, non-Western or American societies and assess their subsequent significance.

Institutional Learning Goal 9. Ethical Reasoning and Action. Students will understand ethical frameworks, issues, and situations.

Institutional Learning Goal 11. Critical Thinking: Students will use critical thinking skills understand, analyze, or apply information or solve problems.

Program Learning Outcomes for AAS Accounting (PLO)

1. Perform all the steps of the accounting cycle for sole proprietorships, partnerships, and corporations;
2. Compute and record financial transactions that are unique to governmental and not-for-profit institutions such as hospitals, colleges, and universities;
3. Analyze financial statements, prepare managerial reports, and suggest appropriate actions to alleviate or eliminate problems;
4. Implement an effective system of internal control;
5. Utilize the computer to record accounting information and perform spreadsheet analysis;
6. Research printed and electronic resources, evaluate the quality of the information, and report findings orally and/or in written reports.

Units of study in detail – Unit Student Learning Outcomes:

Unit I   Discuss taxation in the United States [Supports Course SLO #6]

Learning Objectives

The student will be able to:

a. Discuss the history of taxation in the United States.
b. Describe the various types of taxes.
c. Discuss what constitutes a good tax structure.
d. Describe the objectives of the federal income tax law.

Unit II Explain the determination of tax [Supports Course SLOs #3, #4]

Learning Objectives

The student will be able to:

a. Use the tax formula to compute an individual's taxable income.
b. Determine the amount allowable for the standard deduction.
c. Calculate the amount of tax.

Unit III   Categorize gross income inclusions [Supports Course SLO #1, #2, #5]

Learning Objectives

The student will be able to:

a. Explain the difference between the economic, accounting, and tax concepts of income.
b. Explain the principles used to determine who is taxed on a particular item of income.
c. Apply rules to determine whether items such as compensation, dividends, alimony, and pensions are taxable.

Unit IV   Categorize gross income exclusions [Supports Course SLO #1, #2, #5]

Learning Objectives

The student will be able to:

a. Explain the conditions that must exist for an item to be excluded from gross income.
b. Determine whether an item is income.
c. Decide whether specific exclusions are available.
d. Understand employment-related fringe benefit exclusion items.

Unit V   Discuss capital gains and losses [Supports Course SLO #1, #2, #5]

Learning Objectives

The student will be able to:

a. Determine the realized gain or loss from the sale of other disposition of property.
b. Determine the basis of property.
c. Distinguish between capital assets and other assets.
d. Understand how capital gains and losses affect taxable income.
e. Recognize when a sale or exchange has occurred.

Unit VI Explain deductions and losses [Supports Course SLO #1, #2]

Learning Objectives

The student will be able to:

a. Distinguish between deductions for and from AGI.
b. Explain the criteria for deducting business, investment expenses, travel, entertainment expenses.
c. Explain the tax consequences of transactions between related parties.
d. Discuss the criteria for determining whether an activity is a hobby or a trade or business.

Unit VII Categorize itemized deductions [Supports Course SLO #1, #2]

   Learning Objectives

   The student will be able to:

   a. Discuss the tax treatment for itemized deductions: Medical expenses, Taxes, Interest, Charitable Contributions, Casualty & Theft Losses.

Unit VIII Explain losses and bad debts [Supports Course SLO #1, #2]

   Learning Objectives

   The student will be able to:

   a. Identify transactions that may result in losses.
   b. Determine the proper classification for losses.
   c. Calculate the suspended loss from passive activities.
   d. Determine when a taxpayer has materially participated in a passive activity.
   e. Identify and calculate the deduction for a casualty or theft loss.
   f. Compute the deduction for a bad debt.
   g. Compute a net operating loss deduction.

Unit IX Discuss employee expenses and deferred compensation [Supports Course SLO #1, #2]

   Learning Objectives

   The student will be able to:

   a. Discuss employee expenses and deferred compensation: Travel, Transportation, Entertainment, Moving, Education.
   b. Determine whether the expenses of an office in home meets the requirements for deductibility and apply the gross income limitations.

Unit X Explain depreciation, cost recovery, amortization [Supports Course SLO #1, #2, #5]

   Learning Objectives

   The student will be able to:

   a. Understand the general concepts of tax depreciation.
   b. Classify property and calculate depreciation under the MACRS rules.
   c. Calculate amortization for intangible assets and understand the difference between amortizable and non-amortizable assets.
   d. Apply cost and percentage depletion methods and understand the treatment for intangible drilling costs.

Unit XI Categorize nontaxable property exchanges [Supports Course SLO #1, #2, #5]

Learning Objectives

The student will be able to:

a. Understand the tax consequences arising from a like-kind exchange.
b. Determine the basis of property received in a like-kind exchange.
c. Determine whether gain from an involuntary conversion may be deferred.
d. Determine the basis of replacement property in an involuntary conversion.
e. Determine when a gain resulting from the sale of a principle residence is excluded.

Unit XII   Discuss special tax computation methods, tax credits [Supports Course SLO #1, #2, #5]

Learning Objectives

The student will be able to:

a. Calculate the alternative minimum tax.
b. Describe what constitutes self-employment income and compute the self-employment tax.
c. Describe the various business and personal tax credits.

Evaluation of student learning:

All course student learning outcomes will be assessed by the following activities.
Test questions will be selected to evenly assess all expected outcomes.
Grades will be assigned as detailed below.

Tests	90%
Projects/Class Work	10%