



ACCT 232 Income Tax-Individual & Proprietors 3

Credits
SYLLABUS

CATALOG DESCRIPTION

Studies the federal tax laws as currently implemented by the Internal Revenue Service, providing a working knowledge of preparing taxes for individuals and sole proprietorships. Federal tax law topics include gross income, exclusions, deductions, credits, accounting periods and methods, and property transactions.

Pre-Corequisites: ACCT 211

Common Student Learning Outcomes

Upon successful completion of San Juan College programs and degrees, the student will demonstrate competency in...

BROAD AND SPECIALIZED LEARNING

Students will actively and independently acquire, apply, and adapt skills and knowledge with an awareness of global contexts.

CRITICAL THINKING

Students will think analytically and creatively to explore ideas, make connections, draw conclusions and solve problems.

CULTURAL AND CIVIC ENGAGEMENT

Students will act purposefully, reflectively, and ethically in diverse and complex environments.

EFFECTIVE COMMUNICATION

Students will exchange ideas and information with clarity in multiple contexts.

INFORMATION LITERACY

Students will be able to recognize when information is needed and have the ability to locate, evaluate, and use it effectively.

INTEGRATING TECHNOLOGIES

Students will demonstrate fluency in the application and use of technologies in multiple contexts.

Student work from this class may be randomly selected and used anonymously for assessment of course, program, and/or institutional learning outcomes. For more information, please refer to the Dean of the appropriate School.

Semester Fall
Offered:

GENERAL LEARNING OBJECTIVES:

- I. Explore some of the history and trends related to taxation and Federal tax law.
- II. Work with the tax law using appropriate tax law sources and gain an understanding of the tax research process.
- III. Understand and apply the components of the Federal income tax formula to determine tax liability.

- IV. Study the income component of the basic tax model to include gross income, concepts and inclusions.
- V. Understand that statutory authority is required to exclude an item from gross income and identify tax planning strategies for minimizing gross income.
- VI. Study the deduction component of the basic tax model and how deductions are classified in general; Identify tax planning strategies for maximizing deductions and minimizing the disallowance of deductions.
- VII. Recognize and determine deductions and losses for certain businesses.
- VIII. Understand and apply the rationale for the cost consumption concept and identify the relevant time periods for depreciation, cost recovery, amortization and depletion.
- IX. Consider various planning procedures available to maximize the deductibility of employee and self-employed-related expenses.
- X. Distinguish between certain deductible and nondeductible itemized deductions and losses and recognize the inherent limitations.

LEARNING OUTCOMES:

Related General Learning Objectives and related Common Student Learning Outcomes are shown in parenthesis at the end of each Specific Learning Outcome.

Upon successful completion of the course, the student will be able to ...

1. Recognize the economic, social, equity and political considerations that justify various aspects of the tax law and some of the criteria and components of a tax structure (I) (L,T,A).
2. Describe the role played by the IRS and the courts in the evolution of the Federal tax system and appreciate some of the ethical guidelines involved in tax practice (I) (L,T,C,A).
3. Distinguish between the statutory, administrative and judicial sources of the tax law and understand the purpose of each source (II) (L,T).
4. Apply various tax research techniques and planning procedures and communicate the results of the tax research process in a client letter and a tax file memorandum (II) (L,T,C,I,A).
5. Recognize and apply the rules and requirements for arriving at personal and dependency exemptions and filing status (III) (L,T).
6. Identify and work with kiddie tax situations and possess and overview of property transactions (III) (L,T).
7. Explain the concepts of gross income and realization; Distinguish between the economic, accounting and tax concepts of gross income; Identify who should pay the tax (IV) (L,T,C).
8. Apply the Internal Revenue Code provisions on alimony, loans made at below-market interest rates, annuities, prizes and awards, group term life insurance, unemployment compensation and social security benefits (IV) (L,T).
9. Identify the circumstances under which various items are excludible from gross income and determine the extent to which receipts can be excluded under the tax benefit rule (V) (L,T,C).
10. Differentiate between deductions *for* and *from* adjusted gross income and understand the relevance of the differentiation (VI) (L,T).
11. Apply the Internal Revenue Code deduction disallowance provisions associated with the following: public policy limitations, political activities, excessive executive compensation, investigation of business opportunities, hobby losses, vacation home rentals, payment of others' expenses, personal expenditures, capital expenditures, related-party transactions and expenses related to tax-exempt income (VI,) (L,T).
12. Determine the amount, classification and timing of the bad debt deduction, casualty and theft losses and research and experimental expenditures (VII) (L,T).
13. Determine the amount of the net operating loss and recognize the impact of the carryback and carryover provisions (VII) (L,T).
14. Determine the amount of cost recovery under ACRS and MACRS and perform the reporting procedures (VIII) (L,T,I).
15. Recognize when and how to make the section 179 expensing election and calculate the amount of the deduction (VIII) (L,T,I).
16. Determine the amount of depletion expense for natural resources; Identify intangible assets

- that are eligible for amortization and calculate the amount of the deduction (VIII) (L,T,I).
17. Distinguish between employee and self-employed status (IX) (L,T).
 18. Recognize and determine the deductibility of travel, moving, education, entertainment and other employee expenses and how they are treated (IX) (L,T).
 19. Define, compute and recognize limitations on medical expenses, fees and licenses, state and local income taxes, interest, charitable contributions and miscellaneous itemized deductions (X) (L,T,I).
 20. Complete periodic tax returns to apply the analytical, conceptual and procedural knowledge gained throughout the course (All Inclusive) (L,T,C,I, A).