

ACCT A116: BUSINESS TAXATION

Item	Value
Curriculum Committee Approval Date	02/25/2015
Top Code	050210 - Tax Studies
Units	3 Total Units
Hours	54 Total Hours (Lecture Hours 54)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Grading Policy	Standard Letter (S), • Pass/No Pass (B)

Course Description

Topics will include rules related to the organization, life, and dissolution of corporations, partnerships, S-corporations, and LLCs. Tax research and planning issues are considered. PREREQUISITE: ACCT A100, ACCT A101, or ACCT A101H. ADVISORY: ACCT A111. Transfer Credit: CSU.

Course Level Student Learning Outcome(s)

1. Apply tax laws in the preparation of business income tax forms.
2. Make business decisions to provide the best tax advantages for future tax liabilities.

Course Objectives

- I Partnership Taxation
 - I. 1. Define a partnership for tax purposes.
 - I. 2. Understand the basic rules for partnership formation and operation.
 - I. 3. Summarize the rules for partnership income reporting.
 - I. 4. Describe the tax treatment of partnership distributions
 - I. 5. Determine partnership tax years.
 - I. 6. Identify the tax treatment of transactions between partners and their partnerships
 - I. 7. Understand the at-risk rule to partnerships.
 - I. 8. Analyze the advantages and disadvantages of limited liability companies (LLCs).
 - I. 9. Complete a basic partnership tax return.
- II Corporate Taxation
 - II. 1. Employ the corporate tax rates to calculate corporate tax liability.
 - II. 2. Compute basic capital gains and losses for corporations.
 - II. 3. Ascertain how special deductions may affect corporate taxable income.
 - II. 4. Identify the components of Schedule M-1 and how they are reported to the IRS.
 - II. 5. Know the corporate tax return filing and estimated tax payment requirements.

- II. 6. Understand, in general, how an S corporation is taxed and operates.
- II. 7. Understand the basic tax rules for the formation of a corporation.
- II. 8. Describe the rules for the accumulated earnings tax and the personal holding company tax.
- II. 9. Define the elements of the corporate alternative minimum tax (AMT) calculation.
- II. 10. Complete a corporate tax return (including Schedule L and others as applicable).

Lecture Content

Business Income and Expenses Trade or Business Rental Hobby Losses Net Operating Losses Partnership Taxation Define a partnership for tax purposes. Understand the basic rules for partnership formation and operation. Summarize the rules for partnership income reporting. Describe the tax treatment of partnership distributions Determine partnership tax years. Identify the tax treatment of transactions between partners and their partnerships Understand the at-risk rule to partnerships. Analyze the advantages and disadvantages of limited liability companies (LLCs). Complete a basic partnership tax return. Corporate Taxation Employ the corporate tax rates to calculate corporate tax liability. Compute basic capital gains and losses for corporations. Ascertain how special deductions may affect corporate taxable income Identify the components of Schedule M-1 and how they are reported to the IRS. Know the corporate tax return filing and estimated tax payment requirements. Understand, in general, how an S corporation is taxed and operates. Understand the basic tax rules for the formation of a corporation. Describe the rules for the accumulated earnings tax and the personal holding company tax. Define the elements of the corporate alternative minimum tax (AMT) calculation. Complete a corporate tax return (including Schedule L and others as applicable). Tax Administration and Tax Planning Identify the organizational structure of the IRS. Understand the IRS audit process. Define the common penalties for taxpayers and be able to apply them to specific situations. Apply the general rule for the statute of limitations on tax returns and the important exceptions to the general rule. Describe the rules and penalties that apply to practitioners. Describe the Taxpayer Bill of Rights Understand the basic concepts of tax planning. New Tax Laws and Interpretations Sales and Use Tax in California Sales tax rates Applying for and maintaining a sellers permit Calculation of sales and use tax Filing requirements Complete a sales tax return

Method(s) of Instruction

- Lecture (02)
- DE Live Online Lecture (02S)
- DE Online Lecture (02X)

Instructional Techniques

PowerPoint slides, lecture and application of concepts Individual and/or group problem solving activities Guest lectures Internet assignments

Reading Assignments

Assigned readings from text and/or internet.

Writing Assignments

Analysis of tax/accounting data Case problems Tax return preparation

Out-of-class Assignments

Assigned readings, exercises, problems from the text and/or internet.

Demonstration of Critical Thinking

Exams on course content testing recall, comprehension, analysis and problem solving skills Computing assignments (manually and computerized), written assignments, group activities involving selected topics appropriate to subject matter.

Required Writing, Problem Solving, Skills Demonstration

Analysis of tax/accounting data Case problems Tax return preparation

Eligible Disciplines

Accounting: Masters degree in accountancy or business administration with accounting concentration OR bachelors degree in business with accounting emphasis or business administration with accounting emphasis or economics with an accounting emphasis AND masters degree in business, business administration, business education, economics, taxation, or finance OR the equivalent. Masters degree required. (NOTE: A bachelors degree in accountancy or business administration with accounting concentration, with a CPA license is an alternative qualification for this discipline)

Textbooks Resources

1. Required Whittenburg, G.. Income Tax Fundamentals, 2015 ed. Cengage, 2015

Other Resources

1. Internal Revenue Service Publications Internal Revenue Service Forms California State Board of Equalization materials and website Relevant tax preparation software may be used