

# ACCT C104: BUSINESS TAXATION

Item	Value
Curriculum Committee Approval Date	11/16/2007
Top Code	050200 - Accounting
Units	4 Total Units
Hours	72 Total Hours (Lecture Hours 72)
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. Case simulation project similar to the new computerized CPA exam will be required. ADVISORY: ACCT C100 or C101. Transfer Credit: CSU.

## Course Level Student Learning Outcome(s)

1. Perform tax research, interpret tax case and tax codified law, prioritize tax authority, and implement tax planning strategies of various business entities.
2. Research, analyze, and communicate the tax repercussions to stakeholders of different entities.

## Course Objectives

- 1. Define a partnership for tax purposes.
- 2. Describe the basic rules for partnership formation and operation.
- 3. Summarize the rules for partnership income reporting.
- 4. Describe the tax treatment of partnership distributions
- 5. Determine partnership tax years.
- 6. Identify the tax treatment of transactions between partners and their partnerships
- 7. Describe the at-risk rule to partnerships.
- 8. Analyze the advantages and disadvantages of limited liability companies (LLCs).
- 9. Complete a basic partnership tax return.
- 10. Employ the corporate tax rates to calculate corporate tax liability.
- 11. Compute basic capital gains and losses for corporations.
- 12. Ascertain how special deductions may affect corporate taxable income.
- 13. Identify the components of Schedule M-1 and explain how they are reported to the IRS.
- 14. Describe the corporate tax return filing and estimated tax payment requirements.
- 15. Describe, in general, how an S corporation is taxed and operates.
- 16. Describe the basic tax rules for the formation of a corporation.

- 17. Describe the rules for the accumulated earnings tax and the personal holding company tax.
- 18. Define the elements of the corporate alternative minimum tax (AMT) calculation.
- 19. Complete a corporate tax return (including Schedule L and others as applicable).

## Lecture Content

Classification of Entity as Partnership, LLC, or Corporation Anti-Abuse Regulations Definition of Partnership Current Partnership Income Contributions of Property to the Partnership Sales of Partnership Interests Partnership Distributions and Basis Adjustments Partnership Liquidations Corporate Taxation—Problems of Entity, Penalty Taxes, and Formation Corporation as a Taxable Entity Penalty Taxes on Corporations that Do Not Pay Dividends Creating the Corporation Corporations Capital Structure—Debt or Equity Corporate Taxation—Distributions Consequences to Shareholders of Corporate Distributions of Cash and Property Distributions of Property in Kind—Impact on the Corporation Stock Dividends Stock Dividends Corporate Taxation—Parents Purchase of Subsidiary's Stock and Adjustment to Basis of Assets Background Election by Parent Consolidated Groups Corporate Taxation—Reorganizations Divisive Reorganizations Liquidation and Reincorporation Combining Reorganizations Single Corporation Reorganizations Boot in Reorganizations Carry-Over of Tax Attributes Capitalization of Costs of Corporate Reorganization Corporate Taxation—S Corporations Introduction S Corporation Status Taxation of S Corporations Tax Research Tax Planning Tax Communication

## Method(s) of Instruction

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

## Instructional Techniques

A variety of instructional techniques will be used to cover different student learning styles. These may include, but are not limited to, lecture, discussion, recitation, and small group activities. Instruction will be supplemented, where appropriate, by PowerPoint presentations, electronic resources and technologies, guest speakers, and field trips. Demonstration may also be implemented where applicable and at facilitators sole discretion.

## Reading Assignments

Students will read assigned textbooks, complete assigned homework/projects and participate in class discussions and skills demonstrations.

## Writing Assignments

Written assignments and/or projects related to course content.

## Out-of-class Assignments

Students will be required to complete homework assignments, do research for projects and for written assignments and may give individual or group presentations.

## Demonstration of Critical Thinking

Quizzes, Midterm, and Final M/C evaluate students understanding of course concepts. Midterm and Final Exam essay questions that evaluate students ability to formulate solutions to accounting scenarios. A

written analysis/project related to text material/concepts and/or skills demonstration.

### **Required Writing, Problem Solving, Skills Demonstration**

Assignments include: 1. Homework exercises and problems - Homework problems to be completed using general ledger software. 2. Multiple choice questions requiring theory applications and calculations. 3. Critical thinking paper. 4. Multiple choice questions requiring theory application and calculation along with written problems requiring detailed calculation and presentation

### **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 Spilker, Ayers, Barrick, Outslay, Robinson, Weaver, Worsham. Taxation of Individuals and Business Entities, 2019 or newer ed. New York, New York: McGraw Hill, 2019

### **Other Resources**

1. Coastline Library