

ACCT-1041: INDIVIDUAL TAXATION

Cuyahoga Community College

Viewing: ACCT-1041 : Individual Taxation

Board of Trustees:

2020-03-26

Academic Term:

Fall 2020

Subject Code

ACCT - Accounting

Course Number:

1041

Title:

Individual Taxation

Catalog Description:

Individual income taxes with concentration at federal level. History, assumptions and objectives of federal income tax law. Determination of filing status, exemptions, inclusions, exclusions, adjustments, deductions, credits, tax liability, and reporting requirements. Completion of tax returns, tax planning, and introduction to federal tax research. Use of commercial tax-preparation software. Determination of sole proprietorship income and taxes thereon.

Credit Hour(s):

4

Lecture Hour(s):

4

Requisites

Prerequisite and Corequisite

ACCT-1311 Financial Accounting or concurrent enrollment, or ACCT-1020 Applied Accounting or concurrent enrollment, or departmental approval.

Outcomes

Course Outcome(s):

Incorporate the ethics of full reporting as required by the Internal Revenue Service.

Essential Learning Outcome Mapping:

Civic Responsibility: Analyze the results of actions and inactions with the likely effects on the larger local and/or global communities.

Objective(s):

1. Describe ethics of full reporting for all to pay their fair share, so that honest taxpayers don't bear burden of those who evade or under report.
2. Describe the consequences of non-reporting and under reporting of income.

Course Outcome(s):

Research and apply federal tax laws that apply to all individual tax payers.

Essential Learning Outcome Mapping:

Critical/Creative Thinking: Analyze, evaluate, and synthesize information in order to consider problems/ideas and transform them in innovative or imaginative ways.

Objective(s):

1. Analyze a variety of individual tax facts, identify tax issues, research proper tax treatment and apply appropriate procedures.
2. Conduct basic tax research and tax planning.
3. Identify basic tax issues regarding sole proprietorship income and taxation.
4. Calculate taxable income by applying the tax formula.
5. Explain the impact and purpose of the Alternative Minimum Tax.
6. Calculate FICA taxes including both the social security (OASDI) and Medicare portions.
7. Apply tax law in identifying filing responsibilities, filing status, personal and dependency exemptions for individual tax return preparation.
8. Determine if individual is subject to other taxes including self-employment taxes, household taxes, tax on unreported tip income, and penalty assessments for underwithholding, alternative minimum tax and early retirement distributions.
9. Perform quality review of the individual's final return to assess the accuracy and completion of information reported.
10. Calculate tax liability by applying appropriate tax tables and tax rate schedules.
11. Prepare individual tax returns, using appropriate tax forms and schedules, both manually and using commercial tax-preparation software.
12. Determine appropriate filing status and exemptions.
13. Identify inclusions (taxable income) and exclusions (tax-exempt or non-taxable income).
14. Differentiate between taxable and tax-exempt interest income and describe the tax treatment of social security old-age benefits.

Course Outcome(s):

Research and apply tax laws that apply to all individual tax payers.

Essential Learning Outcome Mapping:

Critical/Creative Thinking: Analyze, evaluate, and synthesize information in order to consider problems/ideas and transform them in innovative or imaginative ways.

Objective(s):

1. Analyze a variety of individual tax facts, identify tax issues, research proper tax treatment and apply appropriate procedures.
2. Describe the history, assumptions, objectives, and reporting requirements of the current tax law.
3. Identify basic tax issues regarding sole proprietorship income and taxation.
4. Describe the difference between deductions and credits.
5. Explain the concept of holding periods and the tax rates applicable to the sale of short-term and long-term capital gains and losses.
6. Apply tax law in identifying filing responsibilities, filing status, personal and dependency exemptions for individual tax return preparation.
7. Determine if individual is subject to other taxes including self-employment taxes, household taxes, tax on unreported tip income, and penalty assessments for underwithholding, alternative minimum tax and early retirement distributions.
8. Perform quality review of the individual's final return to assess the accuracy and completion of information reported.
9. Determine appropriate filing status and exemptions.
10. Identify inclusions (taxable income) and exclusions (tax-exempt or non-taxable income).

Course Outcome(s):

Research and apply tax laws for deductions and credits for eligible individuals.

Essential Learning Outcome Mapping:

Critical/Creative Thinking: Analyze, evaluate, and synthesize information in order to consider problems/ideas and transform them in innovative or imaginative ways.

Objective(s):

1. Conduct basic tax research and tax planning.
2. Explain the concept of depreciation and calculate depreciation deductions for real and personal property using MACRS tables.
3. Describe when an election to expense tangible personal property can and should be made.
4. Explain the concept of holding periods and the tax rates applicable to the sale of short-term and long-term capital gains and losses.
5. Identify adjustments to income, deductions, and credits.
6. Differentiate between deductions for (above) Adjusted Gross Income (AGI) and deductions from (below) AGI.

Course Outcome(s):

Select and complete appropriate tax forms, customized to individual filing requirements.

Essential Learning Outcome Mapping:

Critical/Creative Thinking: Analyze, evaluate, and synthesize information in order to consider problems/ideas and transform them in innovative or imaginative ways.

Objective(s):

1. Differentiate the tax benefits of traditional and Roth Individual Retirement Accounts (IRAs).
2. Identify the requirements for deducting travel, transportation, and entertainment expenses and understand when a home office can be claimed.
3. Complete Schedule C detailing the income of a sole proprietorship.
4. Complete Schedule SE detailing the tax on self-employment earnings.
5. Identify itemized deductibles including medical, taxes, interest, charitable contributions, and miscellaneous deductions.
6. Complete Schedule A itemizing deductions.
7. Calculate common tax credits including the child credit, the child & dependent care credit, and the American Opportunity credit and Lifetime Learning credits.
8. Describe the requirements for claiming the Earned Income Credit (EIC).

Course Outcome(s):

Utilize tax software to process federal returns, clearing errors and addressing all warnings.

Objective(s):

1. Demonstrate proficiency in using tax software, forms and diagnostics to complete quality tax returns.
2. Prepare individual tax returns, using appropriate tax forms and schedules, both manually and using commercial tax-preparation software.

Methods of Evaluation:

1. Examinations
2. Quizzes
3. Written cases
4. Case or problems using commercially available tax-preparation software
5. Other evaluation methods deemed appropriate by instructor to meet educational goals.

Course Content Outline:

1. History
2. Assumptions and objectives of the tax law
3. Filing status
4. Personal exemptions
5. Income inclusions (Things That Are Taxable)
 - a. Tax treatment of compensation and fringe benefits
 - b. Taxable vs. tax-exempt interest
 - c. Tax treatment of social security old-age benefits
 - d. Tax treatment of alimony and child support payments
 - e. Tax treatment of prizes and awards
 - f. Tax treatment of unemployment and workers compensation benefits
 - g. Tax treatment of other items of income
6. Income exclusions (things that are not taxable)
 - a. Tax treatment of life insurance proceeds, gifts, and inheritances
 - b. Tax treatment of scholarships
7. Adjustments to income
8. Deductions from income
 - a. Deductions above AGI (for AGI)
 - b. Deductions from AGI (below AGI)
 - c. Standard deduction
 - d. Itemized deductions
 - i. medical
 - ii. taxes
 - iii. interest
 - iv. charitable contributions
 - v. miscellaneous and other itemized deductions
9. Credits against taxes
 - a. Child credit and child & dependent care credit
 - b. Education credits

- i. American Opportunity credit
 - ii. Lifetime Learning Credit
 - c. Earned income credit
- 10. Tax liability, tax rate schedules, and tax tables
- 11. Reporting requirements
- 12. Tax returns
- 13. Tax research
- 14. Computerized commercial tax return preparation software
- 15. Sole proprietorship taxation
 - a. Travel, transportation, and entertainment expenses
 - b. Office-in-home deduction
- 16. MACRS depreciation
 - a. MACRS for real property
 - b. MACRS for personal property
 - c. Section 179 Election to Expense
- 17. Capital gains and losses and holding periods
- 18. Tax treatment of sale of a personal residence
- 19. FICA taxes including OASDI, Medicare, and self-employment taxes

Resources

Freeland, James, Daneil Lathrope, et al. *Fundamentals of Federal Income Taxation (University Casebook Series)*. 19th ed. 2018.

Young, James C. and William H. Hoffman, Jr. et al. *Individual Income Taxes*. 43rd ed. Boston, MA: Cengage Learning Inc., 2020.

Jones, Sally. "2003 Federal Taxes and Management Decisions"

Pope, Thomas R., Timothy J. Rupert, and Kenneth Anderson. "2018 Federal Taxation Individuals" 31st ed. Pearson, 2018.

Whittenburg, Gerald E. , Martha Altus-Buller, and Steven Gill. *Income Tax Fundamentals 2020*. 38th ed. Boston, MA: Cengage Learning, 2020.

Top of page

Key: 6