

# ACCT-2041: BUSINESS TAXATION

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## Cuyahoga Community College

### Viewing: ACCT-2041 : Business Taxation

**Board of Trustees:**

December 2021

**Academic Term:**

Fall 2022

**Subject Code**

ACCT - Accounting

**Course Number:**

2041

**Title:**

Business Taxation

**Catalog Description:**

Concentration on corporate Federal income taxes and taxation of partnership income. Preparation of various tax forms including 1120, 1120S, and 1065 and related schedules. Overview of payroll taxes, sales and use tax, Ohio's CAT (commercial activity tax) and other taxes related to business.

**Credit Hour(s):**

4

**Lecture Hour(s):**

4

## Requisites

**Prerequisite and Corequisite**

ACCT-1041 Individual Taxation, or departmental approval:  
equivalent coursework or experience.

## Outcomes

**Course Outcome(s):**

Identify the various legal forms of organization under which a business may operate in the USA and within the State of Ohio and compare and contrast the strengths and weaknesses of each type.

**Essential Learning Outcome Mapping:**

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

**Objective(s):**

1. Identify organizational formats under which a business may operate in the United States and within the State of Ohio.
2. Describe the legal and tax advantages and disadvantages of C (regular) Corporations.
3. Describe the legal and tax advantages and disadvantages of S Corporations.
4. Describe the legal and tax advantages and disadvantages of Limited Liability Companies (LLCs).
5. Describe the legal and tax advantages and disadvantages of partnerships.
6. Identify the appropriate federal tax forms required to be filed for each type of business entity.
7. Describe the implications of conduit (flow-through) entities.
8. Identify the requirements for electing S Corporation status.
9. Describe the basic rules for corporation and partnership formation and operation.

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**Course Outcome(s):**

Analyze the tax effects to shareholders/partners/members of entity income and distributions.

**Essential Learning Outcome Mapping:**

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

**Objective(s):**

1. Describe the tax effects to the shareholder of corporate income and distributions (dividends).
2. Describe the tax effects to the partner of partnership income and distributions.

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**Course Outcome(s):**

Complete appropriate Federal tax forms for "regular" C Corporations, S Corporations, LLCs, and partnerships.

**Essential Learning Outcome Mapping:**

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

**Objective(s):**

1. Complete appropriate federal tax forms for a basic C (regular) Corporation.
2. Complete appropriate federal tax forms for a basic S Corporation.
3. Complete appropriate federal tax forms for a basic Limited Liability Company (LLC).
4. Complete appropriate federal tax forms for a basic partnerships.
5. Calculate tax liability for each taxpaying entity.

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**Course Outcome(s):**

Describe the purpose and application of sales and use taxes, Ohio's CAT (commercial activities tax), and local taxes on business income.

**Essential Learning Outcome Mapping:**

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

**Objective(s):**

1. Describe the general purpose and application of sales and use taxes.
2. Research and apply current Ohio sales and use tax laws in completion of current mandatory state tax forms.
3. Research and apply current Ohio CAT (commercial activity tax) laws in completion of current mandatory state forms.

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**Course Outcome(s):**

Describe employer obligations regarding Federal, state, and local payroll taxes.

**Essential Learning Outcome Mapping:**

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

**Objective(s):**

1. Research and apply current Federal, state, and local payroll taxes in completing current mandatory forms.
2. Calculate employer obligations for various Federal, state, and local payroll taxes.

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**Methods of Evaluation:**

1. Minimum of three unit tests
2. Quizzes
3. Written cases
4. Case research
5. Manual or computerized tax preparation
6. Other evaluation methods deemed appropriate by instructor to meet educational goals

**Course Content Outline:**

1. Business organizational entities in general
2. Flow-through (conduit) entities
3. Federal tax law governing C Corporations

- a. Levels of tax
  - b. Number of shareholders
  - c. Taxation of income and distributions to shareholders
  - d. Form 1120 and related schedules
  - e. Other business and legal issues
  - f. Advantages and disadvantages
4. Federal tax law governing S Corporations
- a. Levels of tax
  - b. Number of shareholders
  - c. Taxation of income and distributions to shareholders
  - d. Form 1120S and related schedules
  - e. Other business and legal issues
  - f. Advantages and disadvantages
5. Federal tax law governing Limited Liability Companies
- a. Levels of tax
  - b. Number of members
  - c. Taxation of income and distributions to members
  - d. Relevant tax forms and related schedules
  - e. Other business and legal issues
  - f. Advantages and disadvantages
6. Federal tax law governing Limited and General Partnerships
- a. Levels of tax
  - b. Number of partners
  - c. Taxation of income and distributions to partners
  - d. Form 1065 and related schedules
  - e. Other business and legal issues
  - f. Advantages and disadvantages
7. Ohio sales and use taxes
- a. Forms
  - b. Rates
8. Ohio Commercial Activity Tax (CAT)
9. Federal, state, and local payroll taxes
- a. Federal income tax withholding
  - b. FICA taxes (OASDI and Medicare)
  - c. Form 941
  - d. Federal Unemployment Tax (FUTA)
  - e. Form 940
  - f. State income tax withholding
  - g. City income tax withholding
  - h. Workers' Compensation
  - i. State unemployment tax

## Resources

Spilker, et al. *Taxation of Business Entities*. 2022. McGraw-Hill, 2022.

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Young, Maloney, et al. *South-Western Federal Taxation 2022: Comprehensive*. 2022. Cengage, 2022.

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Raabe, Young, et al. *South-Western Federal Taxation 2022: Corporations, Partnerships, Estates and Trusts*. 2022. Cengage, 2022.

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CCH tax law editors. *Internal Revenue Code*. 2021. CCH, 2021.

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CCH tax law editors. *U.S. Master Tax Guide*. 2021. CCH, 2021.

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Sally Jones, et al. *Principles of Taxation for Business and Investment Planning*. 2022. McGraw-Hill, 2022.

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CCH tax law editors. *Guidebook to Ohio Taxes*. 2017. CCH, 2017.

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Wolters Kluwer Editorial Staff. *State Tax Handbook*. 2021. CCH, 2021.

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**Resources Other**

1. TurboTax software for Business
2. H&R Block software for Business
3. [www.irs.gov](http://www.irs.gov) for Forms and Publications
4. [www.tax.ohio.gov](http://www.tax.ohio.gov)

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