



A: Division: **Instruction** Date: **June 2000**
B: Department/ **Commerce & Business Admin.** New Course Revision
 Program Area: **Accounting Management**
 If Revision, Section(s) Revised: **F, H, N, P, Q, R**
 Date Last Revised: **August 1995**

C: **ACCT 350** **D:** **Income Tax** **E:** **3**

Subject & Course No.	Descriptive Title	Semester Credits												
<p>F: Calendar Description: This course introduces the student to Canadian income tax concepts for both individuals and corporations. Topics include: the structure of the Income Tax Act, computation of income by source, deductions, net income, taxable income, and taxes payable. Students will be required to use a recognized income tax software program to prepare selected assignments. This is a very heavy course. Students are strongly advised to take ACCT 310 either concurrently or as a prerequisite.</p>														
<p>G: Allocation of Contact Hours to Types of Instruction/Learning Settings</p> <p>Primary Methods of Instructional Delivery and/or Learning Settings:</p> <p>Lectures</p> <p>Number of Contact Hours: (per week / semester for each descriptor)</p> <p>Lecture: 4 Hrs. Total: 4 Hrs.</p> <p>Number of Weeks per Semester:</p> <p>15 Weeks X 4 Hrs per week = 60 Hrs.</p>	<p>H: Course Prerequisites: (ACCT 210 or ACCT 235 with minimum grade B-) and CISY 110 and (CMNS 105 or CMNS 111 or CMNS 115 or [completion of Douglas College Writing Assessment Test and have qualified to enroll in CMNS 111 or higher]). Strongly recommend ACCT 310.</p>													
	<p>I: Course Corequisites:</p> <p>nil</p>													
	<p>J: Course for which this Course is a Prerequisite:</p> <p>nil</p>													
	<p>K: Maximum Class Size:</p> <p>35</p>													
<p>L: PLEASE INDICATE:</p> <table border="0"> <tr> <td><input type="checkbox"/></td> <td>Non-Credit</td> <td></td> <td></td> </tr> <tr> <td><input type="checkbox"/></td> <td>College Credit Non-Transfer</td> <td></td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>College Credit Transfer:</td> <td>Requested <input checked="" type="checkbox"/></td> <td>Granted <input type="checkbox"/></td> </tr> </table> <p>SEE BC TRANSFER GUIDE FOR TRANSFER DETAILS (www.bccat.bc.ca)</p>			<input type="checkbox"/>	Non-Credit			<input type="checkbox"/>	College Credit Non-Transfer			<input checked="" type="checkbox"/>	College Credit Transfer:	Requested <input checked="" type="checkbox"/>	Granted <input type="checkbox"/>
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M: Course Objectives/Learning Outcomes

At the end of the course, the successful student should be able to:

1. demonstrate the use of the Canadian Income Tax Act to solve various tax issues;
2. prepare personal income tax returns and schedules with varying degrees of complexity;
3. prepare corporate income tax returns and schedules;
4. demonstrate the effective use of income tax software;
5. demonstrate knowledge of special topics pertaining to both individual and corporate taxation.

N: Course Content

1. Overview of Income Tax Act:
 - 1.1 History and structure of Income Tax Act
 - 1.2 Taxable vs non-taxable income
 - 1.3 Liability for tax
 - 1.4 Income sourcing; income aggregating
 - 1.5 Total income vs net income vs taxable income
2. Preparation of Personal Income Tax Returns:
 - 2.1 Income from employment or office:
 - 2.1.1 Wages, salaries, commissions, tips, etc.
 - 2.1.2 Taxable and non-taxable benefits
 - 2.1.3 Source deductions
 - 2.1.4 Available deductions and limitations
 - 2.2 Business (self-employed) income:
 - 2.2.1 Professional, business, commissions, etc.
 - 2.2.2 Available deductions and limitations
 - 2.2.3 Reconciliation of accounting income to income for tax purposes
 - 2.3 Capital cost allowance, eligible capital property:
 - 2.3.1 Comparison to accounting amortization expense
 - 2.3.2 Asset classes and rates
 - 2.3.3 Rules for computations, including half-year rule
 - 2.3.4 Recapture, terminal loss
 - 2.4 Income from property, other income:
 - 2.4.1 Rental income/expenses
 - 2.4.2 Interest, taxable dividends
 - 2.4.3 E.I., WCB, social assistance
 - 2.4.4 Pensions, RRSPs, other deferred income
 - 2.5 Capital gains and losses:
 - 2.5.1 Capital gains/losses vs income gains/losses
 - 2.5.2 Adjusted cost base.
 - 2.5.3 Eligible capital property

- 2.5.4 Personal use property, listed personal property
- 2.5.5 Deemed dispositions
- 2.5.6 Principal residence rules
- 2.5.7 Exemption for family farms, small business shares
- 2.6 Computation of taxable income:
 - 2.6.1 Deductions from total income (e.g. moving, child care and RRSPs)
 - 2.6.2 Deductions from net income, including losses of other years
- 2.7 Computation of taxes payable:
 - 2.7.1 Non-refundable tax credits
 - 2.7.2 Federal and Provincial taxes payable
 - 2.7.3 Dividend tax credit and other available credits
 - 2.7.4 Federal and Provincial surtaxes, Provincial tax credits
- 2.8 Special cases and topics:
 - 2.8.1 Tax planning, avoidance, evasion
 - 2.8.2 Residency
 - 2.8.3 Home Ownership Plan, Lifelong Learning Plan
 - 2.8.4 Goods and Services Tax
 - 2.8.5 Administration, assessment, enforcement of Income Tax Act
 - 2.8.6 Allowable Business Investment Losses (ABIL)
- 3. Preparation of Corporate Tax Returns:
 - 3.1 Calculation of taxable income for corporations:
 - 3.1.1 Active vs non-active business income
 - 3.1.2 Investment income, dividend income (comparison to individuals)
 - 3.1.3 T2 return and schedules required
 - 3.2 Calculation of taxes payable:
 - 3.2.1 Small business deduction
 - 3.2.2 Federal tax abatement
 - 3.2.3 Other credits, surtaxes
 - 3.2.4 Part I and Part IV taxes payable
 - 3.2.5 Refundable Dividend Tax on Hand (RDTOH); dividend refund
- 4. Use of Income Tax Software:
 - 4.1 Demonstration of income tax program
 - 4.2 Preparation of personal income tax returns and schedules using the income tax software
 - 4.3 Preparation of a corporate income tax return and schedules using the income tax software
- 5. Special Topics in Taxation:
 - 5.1 Taxation as a continually evolving system
 - 5.2 Interpretation of existing and new tax legislation
 - 5.3 Integration of corporate and personal taxes
 - 5.4 Taxable vs tax-free (capital) dividends

<p>O: Methods of Instruction</p> <p>Lecture, demonstration and discussion. Students will be required to do selected assignments on a computer (outside of class).</p>												
<p>P: Textbooks and Materials to be Purchased by Students:</p> <p>Byrd, Clarence, Ida Chen and Mavis Jacob. <u>Canadian Tax Principles</u>, Latest Edition, Pearson Educational.</p> <p>Any one of the following calculators:</p> <ol style="list-style-type: none"> 1. Texas Instruments BA II Plus 2. Sharp EL 733A 3. Hewlett-Packard 10B <p>CCH. <u>Income Tax Act</u>, Latest Edition. CCH Publishing. Income tax program User Guides (documentation). Instructor-compiled material, as applicable.</p>												
<p>Q: Means of Assessment</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Group Project</td> <td style="text-align: right;">05%</td> </tr> <tr> <td>Computer assignments, using tax software</td> <td style="text-align: right;">08%</td> </tr> <tr> <td>Other assignments and/or quizzes</td> <td style="text-align: right;">12%</td> </tr> <tr> <td>Midterm Examinations (2) **</td> <td style="text-align: right;">40%</td> </tr> <tr> <td>Final Examination-Comprehensive**</td> <td style="text-align: right;"><u>35%</u></td> </tr> <tr> <td></td> <td style="text-align: right;">100%</td> </tr> </table> <p>** STUDENTS MUST WRITE BOTH THE MIDTERM EXAMINATIONS AND THE FINAL EXAMINATION TO OBTAIN CREDIT FOR THE COURSE.</p>	Group Project	05%	Computer assignments, using tax software	08%	Other assignments and/or quizzes	12%	Midterm Examinations (2) **	40%	Final Examination-Comprehensive**	<u>35%</u>		100%
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<p>R: Prior Learning Assessment and Recognition: specify whether course is open for PLAR</p> <p>This course is not open to PLAR.</p>												

Course Designer(s): **Elizabeth Hicks**

Education Council/Curriculum Committee
 Representative

DATE: June 2000

Dean/Director: **Jim Sator**

Registrar: **Trish Angus**

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DATE: June 2000