



<p><b>M:</b> Course Objectives/Learning Outcomes</p> <p>At the end of the course, the successful student should be able to:</p> <ol style="list-style-type: none"> <li>1. demonstrate the use of the Canadian Income Tax Act to solve various tax issues;</li> <li>2. prepare personal income tax returns and schedules with varying degrees of complexity;</li> <li>3. prepare corporate income tax returns and schedules;</li> <li>4. demonstrate the effective use of income tax software;</li> <li>5. demonstrate knowledge of special topics pertaining to both individual and corporate taxation.</li> </ol>
<p><b>N:</b> Course Content:</p> <ol style="list-style-type: none"> <li>1. <u>Overview of Income Tax Act:</u> <ol style="list-style-type: none"> <li>1.1 History and structure of Income Tax Act</li> <li>1.2 Taxable vs. non-taxable income</li> <li>1.3 Liability for tax</li> <li>1.4 Income sourcing; income aggregating</li> <li>1.5 Total income vs. net income vs. taxable income</li> </ol> </li> <li>2. <u>Preparation of Personal Income Tax Returns:</u> <ol style="list-style-type: none"> <li>2.1 Income from employment or office:           <ol style="list-style-type: none"> <li>2.1.1 Wages, salaries, commissions, tips, etc.</li> <li>2.1.2 Taxable and non-taxable benefits</li> <li>2.1.3 Source deductions</li> <li>2.1.4 Available deductions and limitations</li> </ol> </li> <li>2.2 Business (self-employed) income:           <ol style="list-style-type: none"> <li>2.2.1 Professional, business, commissions, etc.</li> <li>2.2.2 Available deductions and limitations</li> <li>2.2.3 Reconciliation of accounting income to income for tax purposes</li> </ol> </li> <li>2.3 Capital cost allowance, eligible capital property:           <ol style="list-style-type: none"> <li>2.3.1 Comparison to accounting amortization expense</li> <li>2.3.2 Asset classes and rates</li> <li>2.3.3 Rules for computations, including half-year rule</li> <li>2.3.4 Recapture, terminal loss</li> </ol> </li> <li>2.4 Income from property, other income:           <ol style="list-style-type: none"> <li>2.4.1 Rental income/expenses</li> <li>2.4.2 Interest, taxable dividends</li> <li>2.4.3 EI, WCB, social assistance</li> <li>2.4.4 Pensions, RRSPs, other deferred income</li> </ol> </li> <li>2.5 Capital gains and losses:           <ol style="list-style-type: none"> <li>2.5.1 <u>Capital gains/losses vs. income gains/losses</u></li> <li>2.5.2 Adjusted cost base.</li> <li>2.5.3 Eligible capital property</li> <li>2.5.4 Personal use property, listed personal property</li> <li>2.5.5 Deemed dispositions</li> <li>2.5.6 Principal residence rules</li> <li>2.5.7 Exemption for family farms, small business shares</li> </ol> </li> <li>2.6 Computation of taxable income:           <ol style="list-style-type: none"> <li>2.6.1 Deductions from total income (e.g. moving, child care and RRSPs)</li> <li>2.6.2 Deductions from net income, including losses of other years</li> </ol> </li> <li>2.7 Computation of taxes payable:           <ol style="list-style-type: none"> <li>2.7.1 Non-refundable tax credits</li> <li>2.7.2 Federal and Provincial taxes payable</li> <li>2.7.3 Dividend tax credit and other available credits</li> <li>2.7.4 Federal and Provincial surtaxes, Provincial tax credits</li> </ol> </li> <li>2.8 Special cases and topics:           <ol style="list-style-type: none"> <li>2.8.1 Tax planning, avoidance, evasion</li> <li>2.8.2 Residency</li> <li>2.8.3 Home Ownership Plan, Lifelong Learning Plan</li> </ol> </li> </ol> </li> </ol>

<ul style="list-style-type: none"> <li>2.8.4 Goods and Services Tax</li> <li>2.8.5 Administration, assessment, enforcement of Income Tax Act</li> <li>2.8.6 Allowable Business Investment Losses (ABIL)</li> </ul> <p>3. <u>Preparation of Corporate Tax Returns:</u></p> <ul style="list-style-type: none"> <li>3.1 Calculation of taxable income for corporations: <ul style="list-style-type: none"> <li>3.1.1 Active vs. non-active business income</li> <li>3.1.2 Investment income, dividend income (comparison to individuals)</li> <li>3.1.3 T2 return and schedules required</li> </ul> </li> <li>3.2 Calculation of taxes payable: <ul style="list-style-type: none"> <li>3.2.1 Small business deduction</li> <li>3.2.2 Federal tax abatement</li> <li>3.2.3 Other credits, surtaxes</li> <li>3.2.4 Part I and Part IV taxes payable</li> <li>3.2.5 Refundable Dividend Tax on Hand (RDTOH); dividend refund</li> </ul> </li> </ul> <p>4. <u>Use of Income Tax Software:</u></p> <ul style="list-style-type: none"> <li>4.1 Demonstration of income tax program</li> <li>4.2 Preparation of personal income tax returns and schedules using the income tax software</li> <li>4.3 Preparation of a corporate income tax return and schedules using the income tax software</li> </ul> <p>5. <u>Special Topics in Taxation:</u></p> <ul style="list-style-type: none"> <li>5.1 Taxation as a continually evolving system</li> <li>5.2 Interpretation of existing and new tax legislation</li> <li>5.3 Integration of corporate and personal taxes</li> <li>5.4 Taxable vs. tax-free (capital) dividends</li> </ul>
<p><b>O:</b> 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><b>P:</b> Textbooks and Materials to be Purchased by Students</p> <p>Clarence Byrd and Ida Chen. <u>Canadian Tax Principles</u>, latest edition, Pearson Education Canada. Income Tax Act, latest edition.</p> <p>Any one of the following calculators:</p> <ul style="list-style-type: none"> <li>1. Texas Instruments BA II Plus</li> <li>2. Sharp EL 733A</li> <li>3. Hewlett-Packard 10B</li> </ul>

**Q:** Means of Assessment

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%

STUDENTS MUST WRITE BOTH THE MIDTERM EXAMINATIONS AND THE FINAL EXAMINATION TO OBTAIN CREDIT FOR THE COURSE.

**R:** Prior Learning Assessment and Recognition: specify whether course is open for PLAR

This course is not open to PLAR.

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Course Designer(s) **Elizabeth Hicks**

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Education Council / Curriculum Committee Representative

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Dean / Director **Jim Sator**

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Registrar **Trish Angus**

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