EFECTIVE: SEPTEMBER 2004 CURRICULUM GUIDELINES



Α.	Division:	Instruction		Effective Date:		September 2004		
В.	Department /	Commerce & Business Admin.		New Course		Revision	X	
	Program Area	Accounting Management						
				If Revision, Section(s)		C,F,H		
				Revised		1 2002		
				Date Last Revised:		March 2003		
C.	ACCT 3350	D. Income		Date of Current Revision		September 2004		
C:	ACC1 5550	D: Income	e Tax			E: 3		
	Subject & Course No. Descript		escriptive	e Title Semester		mester Credits		
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 2310 or ACCT 2410 either concurrently or as a prerequisite.							
G:	Allocation of Co	ntact Hours to Type of Instruc	ction H	: Course Prerequisite	es:			
	/ Learning Settin	gs				35 with minimum gra		
						SY 2200) and CMNS	;	
	Primary Methods of Instructional Delivery and/or		d/or	1115. Strongly recommended: ACCT 2310				
	Learning Settings:			and/or ACCT 2410	٠.			
	Lecture		I:	Course Corequisite	Corequisites:			
	Number of Conta for each descript	act Hours: (per week / semeste or)	er	Nil				
	Lecture 4 Hours per week		J:	Course for which the	or which this Course is a Prerequisite			
	Number of Weeks per Semester:			Nil				
	15 weeks X 4 Hrs. per week = 60 Hrs.							
			K	: Maximum Class Si	ze:			
				35				
L:	PLEASE INDIC	CATE:						
	Non-Credit							
	College Cr	College Credit Non-Transfer						
	X College Credit Transfer: Requested X					ed		
	SEE BC TRANSFER GUIDE FOR TRANSFER DETAILS (www.bccat.bc.ca)							
	SEE DE TRANSPER GUIDE FOR TRANSPER DETAILS (WWW.UCCALUC.CA)							

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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. <u>Overview of Income Tax Act</u>:
 - 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 EI, WCB, social assistance
 - 2.4.4 Pensions, RRSPs, other deferred income
- 2.5 Capital gains and losses:
 - 2.5.1 <u>Capital gains/losses vs. income gains/losses</u>
 - 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

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- 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. <u>Preparation of Corporate Tax Returns</u>:

- 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. <u>Special Topics in Taxation:</u>

- 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

O: Methods of Instruction

Lecture, demonstration and discussion. Students will be required to do selected assignments on a computer (outside of class).

P: Textbooks and Materials to be Purchased by Students

Clarence Byrd and Ida Chen. <u>Canadian Tax Principles</u>, latest edition, Pearson Education Canada. Income Tax Act, latest edition.

Any one of the following calculators:

- 1. Texas Instruments BA II Plus
- 2. Sharp EL 733A
- 3. Hewlett-Packard 10B

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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.				
Cours	te Designer(s) Elizabeth Hicks	Education Council / Curriculum Committee Representative			
Dean	/ Director Jim Sator	Registrar Trish Angus			

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