

# BUAC 004A: INCOME TAX - INDIVIDUALS / CTEC

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**Originator**

John Gerardi

**Co-Contributor(s)****Name(s)**

Romero, Pablo

**Justification / Rationale**

Update Course to reflect the current mode of instruction as per outcome assessments. And changed names to read more uniformly.

**Effective Term**

Fall 2023

**Credit Status**

Credit - Degree Applicable

**Subject**

BUAC - Business/Accounting

**Course Number**

004A

**Full Course Title**

Income Tax - Individuals / CTEC

**Short Title**

INCOME TAX - INDV/CTEC

**Discipline****Disciplines List**

Accounting

**Modality**

Face-to-Face

100% Online

Hybrid

**Catalog Description**

This course covers federal and California individual income tax planning and preparation. Topics include filing status, exemptions, income and exclusions, business expenses, itemized deductions, credits, capital gains, depreciation, tax payments, California tax, IRS and FTB, and audits. This Course fulfills the 60-hour "qualifying education" requirement by the California Tax Education Council (CTEC) for California tax preparers and prepares students to meet the federal guidelines for paid tax preparers.

**Schedule Description**

This course covers federal and California individual income tax preparation and planning and fulfills the CTEC 60-hour qualifying education requirement. Advisory: BUMA 031 or MATH 060

**Lecture Units**

3

**Lecture Semester Hours**

54

**Lab Units**

1

**Lab Semester Hours**

54

**In-class Hours**

108

**Out-of-class Hours**

108

**Total Course Units**

4

**Total Semester Hours**

216

**Prerequisite Course(s)**

Advisory: BUMA 031 or MATH 065 and BUAC 066

**Required Text and Other Instructional Materials****Resource Type**

Book

**Open Educational Resource**

No

**Author**

Ana Cruz, Michael Deschamps, Frederick Niswander, Debra Prendergast and Dan Schisler

**Title**

Fundamentals of Taxation 2023

**Edition**

16th

**City**

New York, New York

**Publisher**

McGraw Hill

**Year**

2023

**College Level**

Yes

**ISBN #**

9781264217946

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**Resource Type**

Manual

**Open Educational Resource**

No

**Author**

TTB

**Title**

The Tax Book, California Edition

**Publisher**

TTB

**Year**

2021

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**Class Size Maximum**

40

**Entrance Skills**

Demonstrate competence in addition, multiplication, division, and subtraction.

**Requisite Course Objectives**

MATH 065-Compute using the four basic operations of addition, subtraction, multiplication, and division on the rational numbers in both fraction and mixed number forms.

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**Entrance Skills**

Demonstrate the ability to work with fractions, decimals, percentages, signed numbers and basic equations.

**Requisite Course Objectives**

MATH 065-Apply the basic operations to solve application problems that involve integer numbers, decimals, mixed numbers and rational numbers.

MATH 065-Apply the order of operations to simplify expressions involving several operations using rational numbers, mixed numbers and decimals.

MATH 065-Use rounding and estimation to solve problems involving rational numbers, mixed numbers and decimals.

MATH 065- Apply methods of conversion between percents, decimals, and fractions.

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**Entrance Skills**

Demonstrate cash accounting method for Schedule C preparation.

**Requisite Course Objectives**

BUAC 066-Discuss the differences between the 3 basic accounting methods: Cash, modified cash, and accrual.

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**Course Content**

1. Individual income tax return
  - a. Filing status
  - b. Personal and dependency deductions
  - c. Standard deductions
  - d. Form 1040ez
2. Gross income and exclusions
  - a. Nature of gross income
  - b. Interest and dividend income
  - c. Schedule B, Form 1040
  - d. Alimony
  - e. Prizes and awards
  - f. Life insurance
  - g. Unemployment compensation
  - h. Social Security benefits
3. Itemized and certain deductions
  - a. Medical expenses
  - b. Taxes
  - c. Interest
  - d. Charitable contributions
  - e. Casualty and theft losses
  - f. Miscellaneous deductions
4. Self-employed and employee expenses

- a. Classification of deductions
- b. Travel expenses
- c. Transportation
- d. Office in the home
- e. Meals and entertainment
- f. Educational expenses
- g. Form 2106, Employee Business Expenses
5. Business expenses and retirement plans
  - a. Rental income and expenses
  - b. Passive loss limitations
  - c. Bad debts
  - d. Inventories
  - e. Net operating losses
  - f. Retirement plans
    - i. Individual
    - ii. Business
  - g. Schedule E
6. Credits and special taxes
  - a. Tax credits for the elderly and disabled
  - b. Child tax credit
  - c. Earned income tax credit
  - d. Child and dependent care credits
  - e. Education tax credits
  - f. Foreign tax credits
  - g. Work credits
7. Accounting methods and depreciation
  - a. Accounting periods
  - b. Accounting methods
  - c. Depreciation
  - d. MACRS tables
  - e. Listed Property
  - f. Form 4562, Depreciation and Amortization
8. Capital gains and losses
  - a. Defining a capital asset
  - b. Holding period
  - c. Calculation of gain or loss
  - d. Net capital gains or losses
  - e. Section 1231, gains and losses
  - f. Depreciation recapture
  - g. Sale of a personal residence
  - h. Schedule D and Form 4797
9. Withholding, estimated payments, and payroll taxes
  - a. Withholding methods
  - b. Estimated payments
  - c. FICA taxes
  - d. Federal tax deposit system
  - e. Self-employment tax
  - f. Nanny tax
  - g. Forms W-4, W-2, and 941

**Lab Content**

1. Form 1040/1040A
  - a. Form 8812
2. Schedule 1
3. Schedule A
  - a. Form 8283
  - b. Form 2106

4. Schedule B
5. Schedule C
  - a. Form 4562
6. Home Office
7. Schedule D
8. Form 8949
9. Schedule E
10. Schedule F (Analysis only)
11. Schedule SE
12. California 540 and all equivalent forms to report State Tax

### Course Objectives

	Objectives
Objective 1	Explain how tax laws originate and evaluate the ways in which they are enforced.
Objective 2	Differentiate between federal and California tax laws and how they apply to the individual tax forms.
Objective 3	Identify the filing status of an individual taxpayer.
Objective 4	Determine properly the correct number of personal and dependency exemptions.
Objective 5	Recognize the differences between taxable income and non-taxable income.
Objective 6	Identify the tax treatment of the significant elements of gross income, such as interest, dividends, alimony, and prizes.
Objective 7	Identify and compute the significant exclusions from gross income, such as life insurance, inheritances, and health insurance.
Objective 8	Calculate the amount of Social Security payments, unemployment compensation, and employee fringe benefits to be included in income.
Objective 9	Delineate the tax rules for rental property and vacation homes.
Objective 10	Identify the tax treatment for various deductions from adjusted gross income including bad debts, inventory, and net operating losses.
Objective 11	Describe, compare, and contrast the general rules for the different qualified retirement plans.
Objective 12	Apply the requirements for deducting various business expenses including travel, home office, and education.
Objective 13	Explain the nature and treatment of itemized deductions.
Objective 14	Explain, analyze, and contrast the difference between a tax deduction and a tax credit.
Objective 15	Discuss the different accounting periods and methods allowed for tax purposes.
Objective 16	Recognize the holding periods and tax rates applied to short-term and long-term capital gains.
Objective 17	Calculate depreciation expense using MACRS tables.
Objective 18	Complete all variations of Forms 1040 and 540 with accompanying schedules.

### Student Learning Outcomes

	Upon satisfactory completion of this course, students will be able to:
Outcome 1	Prepare a federal income tax return in proper form according to current federal tax rules and regulations.
Outcome 2	Prepare a California income tax return in proper form according to current California tax rules and regulations.
Outcome 3	Research a specific tax situation to develop and communicate proper tax treatment.
Outcome 4	Identify the basic structure of the federal and California tax laws relating to tax preparation and planning for individuals

### Methods of Instruction

Method	Please provide a description or examples of how each instructional method will be used in this course.
Lecture	Lecture on concepts with teacher demonstration of techniques followed by student lab practice and application to business problem.
Collaborative/Team	Teacher presentation of specific technical problem with student teams developing and presenting potential solutions.
Technology-based instruction	Comparison with simulations on tax preparation software alternatives

Laboratory	Comprehensive lab project with features to simulate complicated return scenarios
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### Methods of Evaluation

Method	Please provide a description or examples of how each evaluation method will be used in this course.	Type of Assignment
Written homework	Homework assignments designed to measure student understanding of key concepts presented in each chapter and contribute to the overall understanding of the course material. Expected 3 hour per week.	Out of Class Only
Mid-term and final evaluations	Mid Term and Final Exams	In Class Only
Tests/Quizzes/Examinations	Each Chapter will contain assessments	In Class Only
Group activity participation/observation	Class Discussion	In Class Only
Computational/problem-solving evaluations	Student performance on computational, problem-solving demonstrations to test the understanding of the interaction and relationship of different components of the subject matter. Expected 1 or 2 hours per week outside of the classroom.	In and Out of Class
Laboratory projects	Hands-on exercises on tax return preparation. Student expected to spend 2 hours a week outside of classroom researching data for their lab projects.	In and Out of Class
Other	CTEC Required Certification Assessment. Expected time of completion is about 6 to 7 hours.	In and Out of Class

### Assignments

#### Other In-class Assignments

##### Reading

1. Read assigned chapters in course text.
2. Read articles related to current issues in taxation that correspond to topics being discussed in class.
3. Read assigned Internal Revenue Service and Franchise Tax Board publications necessary for class assignments and tax-return preparation.

##### Writing

1. Prepare written analysis of assigned chapters
2. Write two-to-three paragraph summaries of tax research assignments.
3. Write comments on response to posed questions and other students' questions.

#### Other Out-of-class Assignments

1. Complete reading and writing assignments.
2. Conduct research and read source material about assigned and individually chosen current tax topics
3. Read articles and books necessary for assigned papers and oral presentations.
4. Read and respond to peer comments
5. Review sample individual tax returns.
6. Prepare a written analysis of assigned text problems in each chapter
7. Write comments to posed questions and respond to other students' questions.
8. Complete both the calculation portion and the research portion of class assignments.
9. Prepare a California income tax return in proper form according to current California tax rules and regulations.
10. Prepare a federal income tax return in proper form according to current federal tax rules and regulations.

#### Grade Methods

Letter Grade Only

### Distance Education Checklist

Include the percentage of online and on-campus instruction you anticipate.

**Online %**

50

**On-campus %**

50

**Lab Courses****How will the lab component of your course be differentiated from the lecture component of the course?**

Lab activities are clearly labeled and compose a portion (category) of their overall grade

**From the COR list, what activities are specified as lab, and how will those be monitored by the instructor?**

Lecture component in this class will have a content delivery and exercises that are graded as either correct or not. On the other hand the Lab component will have a research and observation component that students will have to maintain.

**How will you assess the online delivery of lab activities?**

There is no right or wrong, the end results could be countless and the student will be evaluated in their interpretation of the results. Student will have to use critical thinking to submit reports and feed their observations in the final project presentation.

**Instructional Materials and Resources****If you use any other technologies in addition to the college LMS, what other technologies will you use and how are you ensuring student data security?**

We will use publisher activities in this course, in addition to the LMS. This platform is hosted by the publishers and is integrated into the LMS through an LTI

**If used, explain how specific materials and resources outside the LMS will be used to enhance student learning.**

This platform is a necessity to our instruction. The activities are directly related to our course content and are impossible to recreate on our own.

**Effective Student/Faculty Contact****Which of the following methods of regular, timely, and effective student/faculty contact will be used in this course?****Within Course Management System:**

- Chat room/instant messaging
- Discussion forums with substantive instructor participation
- Online quizzes and examinations
- Private messages
- Regular virtual office hours
- Timely feedback and return of student work as specified in the syllabus
- Weekly announcements

**External to Course Management System:**

- Direct e-mail
- Teleconferencing
- Telephone contact/voicemail

**Briefly discuss how the selected strategies above will be used to maintain Regular Effective Contact in the course.**

We will ensure that our instructors provide individualized feedback to all participating students through any one of the listed strategies.

**Other Information****MIS Course Data****CIP Code**

52.0302 - Accounting Technology/Technician and Bookkeeping.

**TOP Code**

050200 - Accounting

**SAM Code**

C - Clearly Occupational

**Basic Skills Status**

Not Basic Skills

**Prior College Level**

Not applicable

**Cooperative Work Experience**

Not a Coop Course

**Course Classification Status**

Credit Course

**Approved Special Class**

Not special class

**Noncredit Category**

Not Applicable, Credit Course

**Funding Agency Category**

Not Applicable

**Program Status**

Program Applicable

**Transfer Status**

Transferable to CSU only

**Allow Audit**

No

**Repeatability**

No

**Materials Fee**

No

**Additional Fees?**

No

**Approvals****Curriculum Committee Approval Date**

10/20/2022

**Academic Senate Approval Date**

10/27/2022

**Board of Trustees Approval Date**

12/16/2022

**Chancellor's Office Approval Date**

12/18/2022

**Course Control Number**

CCC000635035

**Programs referencing this course**Accounting Certificate of Achievement (<http://catalog.collegeofthedesert.eduundefined/?key=114>)Liberal Arts: Business and Technology AA Degree (<http://catalog.collegeofthedesert.eduundefined/?key=27>)



Accounting AS Degree (<http://catalog.collegeofthedesert.eduundefined/?key=58>)