

EFFECTIVE: SEPTEMBER 2004 CURRICULUM GUIDELINES

A.	Division:	Instruction		Ef	fective Date:		September 2004		
B.	Department / Program Area	Commerce & Business Admin. Accounting Management			ew Course	X	Revision		
		_		Re Da Da	Revision, Section(s) evised tte Last Revised: tte of Current Revision		-		
C:	ACCT 3370		Income Tax	I			E: 3		
	Subject & Course No. Descriptive Title				Semester Credits				
F:	Calendar Descri	ption:							
	This course introduces the student to Canadian income tax concepts for individuals. 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 ACCT2310 or ACCT 2410 as a prerequisite.								
G:		ontact Hours to Typ	e of Instruction	H:	Course Prerequisites		25 with minimum are	ndo	
	/ Learning Settings				(ACCT 1210 or ACCT 1235 with minimum grade of B-) and (CISY 1110 or CISY 2200) and CMNS				
	Primary Methods of Instructional Delivery and/or Learning Settings:				1115 with minimum grade of C. Strongly recommended: ACCT 2310 and/or ACCT 2410.				
	Lecture	Lecture			: Course Corequisites:				
	Number of Contact Hours: (per week / semester for each descriptor)				Nil				
	Lecture 4 Hours per week			J:	Course for which thi	s Cou	rse is a Prerequisite		
	Number of Weeks per Semester:				ACCT 3470				
	15 weeks X 4 Hrs. per week = 60 Hrs.		K:	K: Maximum Class Size:					
					35				
L:	PLEASE INDI	PLEASE INDICATE:							
	Non-Credi	it							
	College Cr	College Credit Non-Transfer							
	X College Cr	redit Transfer:							
	SEE BC TRANSFER GUIDE FOR TRANSFER DETAILS (www.bccat.bc.ca)								

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 (ITA) to solve various tax issues;
- 2. prepare personal income tax returns and schedules with varying degrees of complexity;
- 3. demonstrate the effective use of income tax software for personal returns (T1s);
- 4. demonstrate knowledge of special topics pertaining to individual taxation.

N: Course Content:

- Overview of Income Tax Act:
 - 1.1 History and structure of Income Tax Act
 - 1.2 Taxable entities
 - 1.3 Liability for tax
 - 1.4 Economic objectives of taxation
 - 1.5 Qualitative characteristics of tax systems
 - 1.6 Income sourcing
 - 1.7 Total income vs. net income vs. taxable income

2. <u>Preparation of Personal Income Tax Returns:</u>

- 2.1 Income from employment or office:
 - 2.1.1 Wages, salaries, commissions, tips, etc.
 - 2.1.2 Taxable and non-taxable benefits, including stock options
 - 2.1.3 Computation of benefits, preparation of T4s
 - 2.1.4 Available deductions from employment income
- 2.2 Capital cost allowance, cumulative eligible capital
 - 2.2.1 Comparison to accounting amortization expense
 - 2.2.2 Capital cost for tax purposes, asset classes and rates
 - 2.2.3 Calculation of Capital Cost Allowance (CCA), including half-year rule
 - 2.2.4 Asset disposals, recapture, terminal loss
- 2.3 Business (self-employed) income:
 - 2.3.1 Professional, business, commissions, etc.
 - 2.3.2 Inclusions, reserves
 - 2.3.3 Available deductions and limitations
 - 2.3.4 Reconciliation of accounting income to income for tax purposes
- 2.4 Capital gains and losses:
 - 2.4.1 <u>Capital gains/losses vs. income gains/losses</u>
 - 2.4.2 Adjusted cost base.
 - 2.4.3 Dispositions, calculation of gain/loss, reserves
 - 2.4.4 Personal use property, listed personal property
 - 2.4.5 Principal residence rules
- 2.5 Income from property, other income:
 - 2.5.1 Rental income/expenses
 - 2.5.2 Interest, taxable dividends, royalties
 - 2.5.3 EI, WCB, social assistance, shareholder benefits
 - 2.5 4 Pensions, RRSPs, other deferred income
- 2.6 Computation of taxable income:
 - 2.6.1 Deductions from total income (e.g. moving, child care, spousal support, 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 Retirement savings and other special income arrangements
 - 2.8.1 Registered Pension Plans (RPPs)
 - 2.8.2 Registered Retirement Savings Plans (RRSPs), including Home Buyers Plan and Lifelong Learning Plan
 - 2.8.3 Registered Retirement Income Funds (RRIFs)

- 2.8.4 Deferred Profit Sharing Plans, salary deferrals
- 2.8.5 Transfers between plans
- 2.9 Other tax topics
 - 2.9.1 Tax planning, avoidance, evasion
 - 2.9.2 Residency
 - 2.9.3 Goods & Services Tax (GST)
 - 2.9.4 Administration, assessment, enforcement of ITA
 - 2.9.5 Allowable Business Investment Loss (ABIL)
 - 2.9.6 Registered Education Savings Plans (RESPs)

3. <u>Use of Income Tax Software</u>:

- 3.1 Demonstration of T1 income tax program
- 3.2 Preparation of personal income tax returns and schedules using the income tax software

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

- 4.1 Taxation as a continually evolving system
- 4.2 Interpretation of existing and new tax legislation

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

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.

Date of Current Revision: April 2004

R:	Prior Learning Assessment and Recognition: specify whether course is open for PLAR						
	This course is not open to PLAR.						
Cours	ee Designer(s) Elizabeth Hicks	Education Council / Curriculum Committee Representative					
Dean	/ Director Rosilyn Coulson	Registrar Trish Angus					

© Douglas College. All Rights Reserved.