

College of San Mateo Course Outline

- New Course
- Update/No change
- Course Revision (Minor)
- Course Revision (Major)

Date: November 12, 2009

Department: ACTG Number: 171
 Course Title: Individual Income Taxes Units: 3.0
 Total Semester Hours Lecture: 48 Lab: 16 Homework: 80 By Arrangement: 0

Length of Course

- Semester-long
- Short course (Number of weeks ____)
- Open entry/Open exit

Grading

- Letter
- Pass/No Pass
- Grade Option (letter or Pass/No Pass)

Faculty Load Credit (To be completed by Division Office): Load is lecture + lab = total load

$$\frac{3 \text{ lecture hours per week} \times 16 \text{ weeks}}{16} = \frac{48}{16} = 3.0 \text{ FLC} +$$

$$\frac{1 \text{ lab hour per week} \times 16 \text{ weeks}}{16} = \frac{16}{16} = 1; 1 \times 70\% \text{ lab rate} = 0.7 \text{ FLC}$$

3.0 lecture FLC + 0.7 lab FLC = 3.7 total FLC

1. Prerequisite (Attach Enrollment Limitation Validation Form.)
None
2. Corequisite (Attach Enrollment Limitation Validation Form.)
None
3. Recommended Preparation (Attach Enrollment Validation Form.)
None
4. Catalog Description (Include prerequisites/corequisites/recommended preparation. For format, please see model course outline.)

ACTG 171 INDIVIDUAL INCOME TAXES (3) (Pass/No Pass or letter grade option) Minimum of 48 lecture hours and 16 lab hours per term. Preparation of Federal and California income tax returns for individuals. Topics include income tax law, theory, and practice, and preparation of Form 1040 (Individual), Schedules A (Itemized Deductions), B (Interest and Dividends), C (Profit or Loss from a Business), D (Capital Gains and Losses), and tax credits. Students who successfully complete this course may apply to CTEC, the California Tax Education Council, to become a Registered Tax Preparer in California. This course is part of the Enrolled Agent Exam Preparation Series and the CPA Exam Preparation Series. [CPE Hours: CPA 60] (AA, CSU)

5. **Class Schedule Description** (Include prerequisites/corequisites/recommended preparation. For format, please see model course outline.)

ACTG 171 INDIVIDUAL INCOME TAXES

Preparation of Federal and California income tax returns for individuals. Topics include income tax law, theory, and practice, and preparation of Form 1040 (Individual), Schedules A (Itemized Deductions), B (Interest and Dividends), C (Profit or Loss from a Business), D (Capital Gains and Losses), and tax credits. Students who successfully complete this course may apply to CTEC, the California Tax Education Council, to become a Registered Tax Preparer in California. This course is part of the Enrolled Agent Exam Preparation Series and the CPA Exam Preparation Series. [CPE Hours: CPA 60] Pass/No Pass or letter grade option. (AA, CSU)

6. **Student Learning Outcomes** (Identify 1-6 expected learner outcomes using active verbs.)

1. Understand and explain basic Federal and California income tax law, theory, and practice for individuals
2. Demonstrate competency in preparing Forms 1040EZ, 1040, 1040A and the most commonly used schedules and the related California tax forms
3. Calculate gross income and exclusions.
4. Calculate adjusted gross income deductions
5. Calculate itemized deductions (Schedule A), self-employed business income (Schedule C), sale of property (Schedule D), rental income (Schedule E) and tax credits
6. Demonstrate all steps required to prepare and file the most commonly used Federal and California income tax returns
7. Advise businesses on the advantages and disadvantages of various business organizations from taxation perspectives

7. **Course Objectives** (Identify specific teaching objectives detailing course content and activities. *For some courses, the course objectives will be the same as the student learning outcomes. In this case, "Same as Student Learning Outcomes" is appropriate here.*)

Same as Student Learning Outcomes

8. **Course Content** (Brief but complete topical outline of the course that includes major subject areas [1-2 pages]. Should reflect all course objectives listed above. In addition, a sample course syllabus with timeline may be attached.)

1. Introduction to Taxation, the Income Tax Formula, and Form 1040EZ.

Tax Rate Structures. Brief/Compressed Income Tax Formula. Form 1040EZ Return Preparation.

2. Basic Tax Returns.

Introduction to 1040A and 1040. Expanded Income Tax Formula. Dependents. Personal Exemptions. Standard Deduction. Filing Status. Penalties for Failure to File and Underpayment.

3. Gross Income and Exclusions.

Detailed discussion of types of income on 1040A/1040. Wages, Cash Basis, When to Record. Interest Income (Form 1099-INT & Schedule B). Dividends (Form 1099-DIV & Schedule B). State & Local Refunds. Alimony. Social Security Benefits. Other Income. Non-taxable Income. Non-standard Interest Income (OID).

4. Form Adjusted Gross Income Deductions.

Educator Expenses. Student Loan Interest. Medical Savings Accounts. Moving Expenses. Self-employed Health Insurance. Self-employment Taxes. Early Withdrawal Penalty on Savings. Alimony.

5. Itemized Deductions—Schedule A.

Medical Expenses. Taxes. Mortgage Interest. Gifts to Charity. Casualty & Theft Losses. Miscellaneous Itemized Deductions. Limitations on Itemized Deductions. Software Completed

6. Self-Employed Business Income—Schedule C.

Depreciation (Form 4562). Trade or Business Expenses. Business Use of Your Home (Form 8829). Business Bad Debts & Casualty Losses. Self-employment Tax (Schedule SE).

7. Sale of Property—Schedule D and Form 4797.

Sale of Personal/Investment Property—Capital Gain & Losses (Schedule D). Sale of a Personal Residence. Sale of Business Property—Form 4797. Software Completed Example of Form 4797.

8. Rental Property and Flow-Through Entities (Schedule E).

Rental Income and Rental Expenses. Depreciation on Rental Property. Rental of Vacation Homes. Reporting Royalty Income. Reporting Income/Losses from Flow-Through Entities.

9. Tax Credits.

Earned Income Tax Credit. Child and Dependent Care Credit (Form 2441). Elderly or Disabled Credit (Schedule R). Child Tax Credit. Education Credits (Form 8863). Adoption Credit (Form 8839).

10. Retirement Plans and Contributions (IRAs, MSAs, etc.).

11. At-Risk Rules/Passive Activity Losses and Individual Alternative Minimum Taxes.

Minimum Tax. At-Risk Rules and How They Limit Loss Deductions (Form 6198). Passive Activity Losses (Form 8582). \$25,000 Offset For Rental Passive Activity Losses. Individual Alternative Minimum Tax (Form 6251).

9. **Representative Instructional Methods** (Describe instructor-initiated teaching strategies that will assist students in meeting course objectives. Describe out-of-class assignments, required reading and writing assignments, and methods for teaching critical thinking skills. **If hours by arrangement are required, please indicate the additional instructional activity which will be provided during these hours, where the activity will take place, and how the activity will be supervised.**)

- Lecture on taxation theory and practice.
- Classroom discussion of application of taxation principles and problem solving techniques.
- Weekly readings on taxation theory, practice, and problem solving techniques.

10. **Representative Methods of Evaluation** (Describe measurement of student progress toward course objectives. Courses with required writing component and/or problem-solving emphasis must reflect critical thinking component. If skills class, then applied skills.)

- Homework assignments on taxation theory, practice, and problem solving techniques.
- Group activity on taxation theory, practice, and problem solving techniques.
- Projects applying taxation theory, practice, and problem solving techniques.
- Student presentations on taxation theory, practice, and problem solving techniques.
- Exams and quizzes on taxation theory, practice, and problem solving techniques.

11. **Representative Text Materials** (With few exceptions, texts need to be current. Include publication dates.)

Fundamentals of Taxation 2009, 2nd Edition; Cruz; McGraw-Hill
Copyright year: 2009

Prepared by: Bruce Maule
(Signature)

Email address: maule@smccd.edu

Submission Date: November 12, 2009