INCOME TAXATION
ACC 2410

Class Hours: 3.0        Credit Hours: 3.0
Laboratory Hours: 0.0   Date Revised: Fall 02

NOTE: This course is not designed for transfer credit.

Catalog Course Description:
A study of federal income taxation as applied to personal income. Topics include income inclusions and exclusions, adjustments, deductions, taxes and credits. Practice in income tax return preparation.

Entry Level Standards:
The student should have an understanding of generally accepted accounting principles, and be able to read and comprehend at the college level. A working level knowledge of college algebra and business mathematics is also required.

Prerequisite:
ACC 2110

Textbook(s) and Other Reference Materials Basic to the Course:
Turbo-Tax software, 2002 Edition
Calculator

I. Week/Unit/Topic Basis:

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<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>The Individual Tax Return</td>
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<td>2-3</td>
<td>Gross Income and Exclusions</td>
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<td>4</td>
<td>Business Expenses and Retirement Plans</td>
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<td>5-6</td>
<td>Self-Employed and Employee Expenses</td>
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<tr>
<td>7-8</td>
<td>Itemized and Certain Other Deductions</td>
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<tr>
<td>9-10</td>
<td>Credits and Special Taxes</td>
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<tr>
<td>11</td>
<td>Accounting Periods and Methods of Depreciation</td>
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II. Course Objectives*:

A. Develop an understanding of the federal income tax code as it applies to individuals. I,II,VI
B. Develop an understanding of withholding and remittance to federal depositories. I,II,VI,VIII
C. Develop an understanding of the similarities and differences of financial accounting and income tax accounting. I,VII,VIII
D. Develop an understanding of the administration of the internal revenue code. II,VI,VIII

*Roman numerals after course objectives reference goals of the Computer Accounting program.

III. Instructional Processes*:

Students will:

1. Use electronic mail to correspond with the instructor and other students enrolled in the course. Communication Outcome

2. Take part in course assignments involving team discussion and team oral presentations. Communication Outcome, Personal Development Outcome, Problem Solving and Decision Making Outcome, Cultural Diversity and Social Adaption Outcome, Numerical Literacy Outcome, Informational Literacy Outcome, Transitional Strategies, Active Learning Strategies

3. Discuss ethical factors and their impact on tax planning. Communication Outcome, Personal Development Outcome, Cultural Diversity and Social Adaption Outcome, Numerical Literacy Outcome, Active Learning Strategies

4. Prepare individual written reports and lead class discussions. Communication Outcome, Problem Solving and Decision Making Outcome, Technological Literacy Outcome, Numerical Literacy Outcome, Information Literacy Outcome, Active Learning Strategies

5. Practice elements of the work ethic such as professionalism, preparedness, punctuality, honesty, cooperation, dependability, contribution, effectiveness, and good manners. Personal Development Outcome, Cultural Diversity and Social Adaption Outcome, Transitional Strategies

6. Use critical thinking skills to interpret the Internal Revenue Code as it relates to individuals and make informed judgements about individual tax laws to facilitate in decision making and problem solving strategies. Personal Development Outcome, Cultural Diversity and Social Adaption Outcome, Transitional Strategies

7. Discuss the impact of social, political, economic, and environmental issues on the Internal Revenue Code and individual income tax laws specifically. Personal Development Outcome, Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Information Literacy Outcome, Active Learning Strategies

8. Use the Internet to research the Internal Revenue Service web site and other tax related
Communication Outcome, Problem Solving and Decision Making Outcome, Technological Literacy Outcome, Numerical Literacy Outcome, Information Literacy, Outcome Active Learning Strategies

*Strategies and outcomes listed after instructional processes reference Pellissippi State’s goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:

Upon successful completion of this course, the student should be able to:

1. Identify the economic and social goals of the federal income tax system. A,C,D,E
2. Identify individuals required to file tax returns. A
3. Compute taxable income and the related tax liability based on filing status. A
4. Identify items included in gross income for tax purposes. A,C
5. Identify items excluded from gross income for tax purposes. A,C
6. Identify and compute the amounts of adjustments from gross income. A
7. Prepare Schedule E to calculate net income from rental property. A
8. Identify passive activities and compute any limitations on deductions from those activities. A,C
9. Identify items included in schedule A, and compute an individual's itemized deductions. A
10. Identify, compute, and transmit to the proper forms the tax credits available to individuals. A
11. Understand the alternative minimum tax applicable to individuals. A
12. Account for bad debts according to the rules under the internal revenue code. A,C
13. Understand how depreciation is computed for tax purposes. A,C,E
14. Understand how self-employed individuals report their earnings to the IRS and prepare schedule SE. A,B,C
15. Identify capital assets and section 1231 property. A,C,E
16. Compute and report capital gains and losses. A
17. Understand the tax issues involved in the sale of a personal residence. A,C
18. Compute withholding. B
20. Prepare W-2 and 1099 statements. B
21. Compute and report FICA payments for the employer and employee. B
22. Compute and report FUTA payments. B
23. Prepare federal income tax form 1040EZ.  A
24. Prepare federal income tax form 1040A and related forms.  A
25. Prepare federal income tax form 1040 and related forms.  A
26. Understand simple income tax planning.  A
27. Understand how income tax accounting is involved in business decisions based on financial accounting.  C
28. Use income tax accounting in basic business decisions.  C
29. Understand the audit process and payment of penalties.  D
30. Identify the statute of limitations on specific tax issues.  D

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures:

Students are evaluated primarily on the basis of exams. There will be five exams, including the final, during the semester.

B. Laboratory Expectations:

N/A

C. Field Work:

N/A

D. Other Evaluation Methods:

Quizzes and homework will also comprise the final grade for the course.

E. Grading Scale:

The grading scale is as follows:
92 - 100    A
89 - 91    B+
82 - 88    B
79 - 81    C+
72 - 78    C
65 - 71    D
Below 65    F

VI. Policies:

Attendance Policy:

Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course.