INCOME TAXATION
ACC 2410

Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: 0.0  Revised: Spring 07

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 2000

Textbook(s) and Other Course Materials:
TurboTax 2005, Intuit. (Either the Deluxe or the Basic version may be used).
Calculator

I. Week/Unit/Topic Basis:

<table>
<thead>
<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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<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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<tr>
<td>12-13</td>
<td>Capital Gains and Losses</td>
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<tr>
<td>14</td>
<td>Withholding, Estimated Payments, and Payroll Taxes</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,VI,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, Technological Literacy Outcome)

2. Take part in course assignments involving team discussion and team oral presentations. (Communication Outcome, Social/Behavioral Sciences Outcome, Mathematics Outcome, Technological Literacy Outcome, Transitional Strategies, Active Learning Strategies)

3. Discuss ethical factors and their impact on tax planning. (Communication Outcome, Social/Behavioral Sciences Outcome, Transitional Strategies, Mathematics Outcome, Active Learning Strategies)

4. Prepare individual written reports and lead class discussions. (Communication Outcome, Social/Behavioral Sciences Outcome, Mathematics Outcome, Technological Literacy Outcome, Transitional Strategies, Active Learning Strategies)

5. Practice elements of the work ethic such as professionalism, preparedness, punctuality, honesty, cooperation, dependability, contribution, effectiveness, and good manners. (Social/Behavioral Sciences Outcome, Transitional Strategies, Active Learning Strategies)

6. Use critical thinking skills to interpret the Internal Revenue Code as it relates to individuals and make informed judgments about individual tax laws to facilitate in decision making and problem solving strategies. (Mathematics Outcome, Technological Literacy Outcome, Active Learning Strategies)

7. Discuss the impact of social, political, economic, and environmental issues on the Internal Revenue Code and individual income tax laws specifically. (Communication Outcome, Social/Behavioral Sciences Outcome, Mathematics Outcome, Technological Literacy Outcome, Active Learning Strategies)

8. Use the Internet to research the Internal Revenue Service web site and other tax related information. (Communication Outcome, Technological Literacy Outcome, Mathematics Outcome, Active Learning Strategies)

*Strategies and outcomes listed after instructional processes reference TBR’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:

A. 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. [NOTE: No differentiation is noted for excused/unexcused absences. These will be treated as an absence.]

B. Academic Dishonesty:
   Plagiarism, cheating, and other forms of academic dishonesty are prohibited. Students guilty of academic misconduct, either directly or indirectly through participation or assistance, are immediately responsible to the instructor of the class. In addition to other possible disciplinary sanctions which may be imposed through the regular Pellissippi State procedures as a result of
academic misconduct, the instructor has the authority to assign an F or a zero for the exercise or examination or to assign an F in the course.

C. Accommodations for disabilities:

    If you need accommodations because of a disability, if you have emergency medical information to share, or if you need special arrangements in case the building must be evacuated, please inform the instructor immediately. Please see the instructor privately after class or in his/her office. Students must present a current accommodation plan from a staff member in Services for Students with Disabilities (SSWD) in order to receive accommodations in this course. Services for Students with Disabilities may be contacted by going to Goins 127 or 131 or by phone: 694-6751(Voice/TTY) or 539-7153.

D. Other Policies:

    Computer Usage Guidelines:
    College-owned or operated computing resources are provided for use by students of Pellissippi State. All students are responsible for the usage of Pellissippi State’s computing resources in an effective, efficient, ethical and lawful manner.