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:

2. Turbo-Tax 2008, Intuit. (Either the Deluxe or the Basic version may be used).

Calculator-Nonprogrammable

Note: Programmable calculators (TI 83 Plus, etc.) and cell phones may not be used on exams or quizzes in the course. In addition, no sharing of calculators will be allowed during exams or quizzes.

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to course</td>
</tr>
<tr>
<td>2</td>
<td>Introduction to TurboTax</td>
</tr>
<tr>
<td>3</td>
<td>Introduction to Taxation, the Income Tax Formula, and Form 1040EZ Appendix A – Tax Authority Expanded Tax Formula, Forms 1040A and 1040 and Basic Concepts</td>
</tr>
<tr>
<td>4</td>
<td>Gross Income and Exclusions</td>
</tr>
<tr>
<td>5</td>
<td>Adjustments for Adjusted Gross Income</td>
</tr>
<tr>
<td>6</td>
<td>Itemized Deductions</td>
</tr>
</tbody>
</table>
II. Course Objectives*:

A. Develop an understanding of the federal income tax code as it applies to individuals. I, III, IV, V

B. Develop an understanding of the similarities and differences of financial accounting and income tax accounting. I, III, IV, V

C. Develop an understanding of the administration of the internal revenue code. I, II, VII

D. Develop an understanding of tax preparation software. II, IV, VI

*Roman numerals after course objectives reference goals of the Business Administration 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. Use Tax Software to prepare individual tax returns. (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. 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)

5. 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)

6. 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

7. Refine their reading skills and expand their vocabularies through completion of assigned readings. (Communication Outcome)

*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. Understand progressive, proportional, and regressive tax structures. A, B
2. Explain the difference between marginal and average tax rates. A
3. Apply the income tax formula. A
4. Understand the components of a 1040EZ income tax return. A, D
5. Understand the types of tax authority and how they interrelate. C
6. Describe the expanded tax formula and the components of the major sections of Form 1040A and Form 1040. A, D
7. Determine the proper filing status. A
8. Calculate personal exemptions. A
9. Calculate dependency exemptions. A
10. Determine the standard deduction. A
11. Compute the amount of tax due. A
12. Determine what interest and penalties the IRS can assess and in what instances certain penalties are deductible. A, C
13. Describe when and how to record income for tax purposes. A, C
14. Apply the cash method of accounting to income taxes. A, B
15. Explain the taxation of components of gross income. A, B
16. Prepare Schedule B. A, B, D
17. Identify gross income exclusions. A, B
18. Describe the tax rules for student loan interest. A
19. Calculate the health savings account deduction. A
20. Determine the deduction for moving expenses. A
21. Explain the deduction for self-employed health insurance and taxes. A, B, C
22. Explain the taxation of alimony received and paid. A
23. Determine the deduction for educator expenses. A
24. Calculate the deduction of eligible tuition and fees. A
25. Identify the types of itemized deductions on Schedule A. A, B, D
26. Prepare Schedule C. A, B, D
27. Calculate depreciation for income tax purposes. A, B
28. Prepare Schedule SE. A, B, D
29. Determine the basis, the gain or loss on the sale of the property, and how to report sales. A, B
30. Classify assets and apply the tax rules for recognizing ordinary and capital gains and losses. A, B
31. Prepare Schedule D. A, B, D
32. Explain how income and expenses are recognized and reported for rental property. A
33. Identify and calculate the major credits permitted under the tax law. A, B
34. Explain retirement and other tax-deferred plans and annuities. A
35. Explain like-kind exchanges. A
36. Describe how to account for and report involuntary conversions. A
37. Apply the tax rules to report an installment sale. A, B
38. Explain how to exclude a gain on the sale of a personal residence. A
39. Apply the rules affecting related parties and wash sales. A
40. Explain the at-risk/passive activity loss rules. A
41. Explain the individual alternative minimum tax and its calculation. A, B, 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 four exams, including the final, during the semester.

B. Laboratory Expectations:

N/A

C. Field Work:

N/A
D. Other Evaluation Methods:

Completion of assigned course problems.

E. Grading Scale:

The grading scale is as follows:

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>92 - 100</td>
<td>A</td>
</tr>
<tr>
<td>89 - 91</td>
<td>B+</td>
</tr>
<tr>
<td>82 - 88</td>
<td>B</td>
</tr>
<tr>
<td>79 - 81</td>
<td>C+</td>
</tr>
<tr>
<td>72 - 78</td>
<td>C</td>
</tr>
<tr>
<td>65 - 71</td>
<td>D</td>
</tr>
<tr>
<td>Below 65</td>
<td>F</td>
</tr>
</tbody>
</table>

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:

Students who need accommodations because of a disability, have emergency medical information to share, or need special arrangements in case the building must be evacuated should inform the instructor immediately, privately after class or in her or his 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 134 or 126 or by phone: 694-6751(Voice/TTY) or 539-7153. More information is available at www.pstcc.edu/departments/swd/.

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.