

Pellissippi State Community College  
Master Syllabus

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**INCOME TAXATION**  
**ACC 2410**

Class Hours: 3.0

Instructor: Deanne Michaelson

Credit Hours: 3.0

Office No.: MC 222

Revised: December 2010

Phone No.: 694-6484

**NOTE: This course is not designed for transfer credit.**

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**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.

**Pre-requisite(s):** ACC 2000

**Textbooks and Other Course Materials:**

1. Whittenburg, Gerald A. and Altus-Buller. Income Tax Fundamentals 2011, 29<sup>th</sup> Edition. Cengage. ISBN: 9780538469197
2. TurboTax 2010, Intuit. (Either the Deluxe or the Basic version may be used).
3. 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:**

WEEK	CHAPTER	TOPIC
1		Introduction to Course
2		Introduction to TurboTax
3	1	Introduction to Taxation, the Income Tax Formula, and Form 1040EZ Appendix A – Tax Authority
	2	Expanded Tax Formula, Forms 1040A and 1040 and Basic Concepts
4	3	Gross Income and Exclusions
5	4	Adjustments for Adjusted Gross Income

WEEK	CHAPTER	TOPIC
6	5	Itemized Deductions
7	6	Self-Employed Business Income (line 12, Form 1040 and Schedule C)
8		Spring Break
9	7	Capital Gains and Other Sales of Property (Schedule D and Form 4797)
10	8	Rental Property, Royalties, and Income from Flow-Through Entities (line 17, Form 1040 and Schedule E)
11	9	Tax Credits (line 47 through 55 and line 66, Form 1040)
12	11	Retirement and Other Tax Deferred Plans and Annuities
13	12	Special Property Transactions
14	13	At-Risk/Passive Activity Loss Rules and Individual Alternative Minimum Tax
15		Comprehensive Problem due

## II. Course Goals:\*

- A. 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. III, IV, V, VI
- B. Develop an understanding of the similarities, and differences, between financial accounting and income tax accounting. I, II, III, V
- C. Develop an understanding of the administration of the internal revenue code. I, II, VI, VII
- D. Use Tax Software to prepare individual tax returns. I, II, III, IV, V, VI
- E. Practice elements of the work ethic such as professionalism, preparedness, punctuality, honesty, cooperation, dependability, contribution, effectiveness, and good manners. VI
- G. Discuss the impact of social, political, economic, and environmental issues on the Internal Revenue Code and individual income tax laws specifically. I, II, V, VII
- H. Discuss ethical factors and their impact on tax planning. I, II, III, V

\*Roman numerals after course objectives reference goals of the Business Administration program.

## III. Expectations Student Learning Outcomes:

The student will be able to:

1. Understand progressive, proportional, and regressive tax structures. A, B, G, H
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
42. Use TurboTax to prepare individual returns. D
43. Identify the need for tax planning. H
44. Develop an understanding of basic professional behavior. E

\*Capital Letters after Expected Student Learning Outcomes reference the course goals listed above.

#### **IV. 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:** None applicable

##### **C. Field Work:** None applicable

##### **D. Other Evaluation Methods:**

Completion of assigned course problems.

##### **E. Grading Scale:**

92 - 100	A
89 - 91	B+
82 - 88	B
79 - 81	C+
72 - 78	C
65 - 71	D
Below 65	F

#### **V. Policies:**

**A. Attendance Policy:** Pellissippi State 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. (*Pellissippi State Online Catalog*)

**B. Academic Dishonesty:** Plagiarism, cheating and other forms of academic dishonesty are prohibited. A student guilty of academic misconduct, either directly or indirectly through participation or assistance, is immediately responsible to the instructor of the class. In addition to other possible disciplinary sanctions that 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. (*Pellissippi State Online Catalog*)

##### **C. Accommodation 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 127, 132, 134, 135, 131 or by phone: 539-7153 or TTY 694-6429. More information is available at [www.pstcc.edu/departments/swd/](http://www.pstcc.edu/departments/swd/).