

ACC 131 Federal Income Taxes

COURSE DESCRIPTION:

Prerequisites: ENG 090 and RED 090 or DRE 098; or satisfactory score on placement test

Corequisites: None

This course provides an overview of federal income taxes for individuals, partnerships, and corporations.

Topics include tax law, electronic research and methodologies and the use technology for the preparation of individual and business tax returns. Upon completion, students should be able to analyze basic tax scenarios, research applicable tax laws, and complete federal tax returns for individuals, partnerships, and corporations.

Course Hours Per Week: Class 2, Lab 2, Semester Hour Credit 3.

LEARNING OUTCOMES:

Upon completing requirements for this course, the student will be able to:

1. Distinguish between gross income and excluded items, deductible and non deductible expenditures, determine the basis, amount, nature of gain or loss in property disposition, and basic tax planning when applicable.
2. Learn the basics of tax research, communication skills, and the use of emerging technologies.
3. Gain a deeper understanding of and working knowledge of federal income taxation as it applies to property transactions, partnerships, C Corporations, and S Corporations.
4. Understand and identify new tax laws and how they affect individual tax forms and schedules.

OUTLINE OF INSTRUCTION:

- I. The individual income tax return
 - A. History and objectives of the tax system
 - B. Reporting and taxable entities
 - C. The tax formula for individuals
 - D. Who must file and where to file
 - E. Filing status and tax computation
 - F. Personal and dependency exemptions
 - G. The standard deduction
 - H. Limitation on total itemized deductions
 - I. Gains and Losses
 - J. Tax and the Internet
- II. Gross income and exclusions
 - A. The nature of gross income
 - B. Interest and dividend income
 - C. Alimony
 - D. Prizes and awards
 - E. Annuities
 - F. Life insurance
 - G. Gifts and inheritances
 - H. Scholarships

- I. Accident and health insurance
 - J. Meals and lodging
 - K. Municipal bond interest
 - L. Social Security benefits
 - M. Unemployment compensation
 - N. Employee fringe benefits
- III. Business expenses and retirement plans
- A. Rental income and expenses (Schedule E)
 - B. Passive Loss Limitations
 - C. Bad debts
 - D. Inventories
 - E. Net operating losses
 - F. Individual retirement accounts
 - G. Keogh (H.R. 10) plans
 - H. Qualified retirement plans including section 401(k) plans
 - I. Rollovers
 - J. SIMPLE plans
- IV. Self-employed and employee expenses
- A. Classification of deductions
 - B. Travel expenses
 - C. Transportation
 - D. Office in the home
 - E. Entertainment
 - F. Educational expenses
 - G. Dues, subscriptions, and publications
 - H. Special clothing and uniforms
 - I. Business gifts
 - J. Schedule C
- V. Itemized and certain other deductions
- A. Medical expenses
 - B. Taxes
 - C. Interest
 - D. Contributions
 - E. Casualty and theft losses
 - F. Miscellaneous deductions
 - G. Moving expenses
 - H. Hobby losses
- VI. Credits and special taxes
- A. Tax credit for the elderly and disabled
 - B. Child tax credit
 - C. Earned income credit
 - D. Child and dependent care credit
 - E. Education tax credits
 - F. Foreign tax credits

- G. Work credits
- H. Disabled access credit
- I. Adoption expenses
- J. The individual alternative minimum tax
- K. Unearned income of minor children
- L. Community Property

REQUIRED TEXTBOOK AND MATERIAL:

The textbook and other instructional material will be determined by the instructor.