

The College of New Jersey School of Business

Course: ACC 401 - Federal Income Taxation
Instructor: C. Andrew Lafond, DBA, CPA
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Class Time: MR 8:00–9:50 am in Business Building Room 106
MR 10:00–11:50 am in Social Science Building Room 325
MR 2:00–3:50 pm Science Complex Room P319

Office Hours: MR 12:30–2:00 pm or by appointment
MR 4:00–4:30 pm or by appointment

Text: *Prentice Hall's Federal Taxation 2011, Pope, Anderson, Kramer*
RIA Checkpoint: User Guide & Quick Reference Guide—download from
RIA web site.

Course Website: <http://socs.tcnj.edu>

Purpose: Federal income tax law has as its major objective the raising of revenue. In addition to its revenue-raising objectives, the Federal tax law has developed in response to economic, social, and political considerations. It reaches almost every individual and business entity. The Accountant is relied upon and should be able to advise and guide individuals and entities on the most tax efficient ways of minimizing income taxes. Because of the political forces that work to shape our tax law, it has unfortunately become extraordinarily complex. Although you will need to memorize some of the more common tax rules, the emphasis of this course will be on developing a basic understanding of income tax laws, provide a framework for integrating tax planning into the decision-making process, and be able to conduct and communicate basic tax research.

Course Description: An introductory course in taxation designed to introduce the student to the dynamic discipline of Federal income taxation. The fundamental concepts and more common transactions will be emphasized which will provide an understanding of the impact of tax laws on our daily activities and how tax laws affect business and financial decisions. Theory will be developed through tax research and applied to the preparation of income tax returns.

Learning Goals: After completing this course, you should have an understanding of:

- the concepts of the federal income tax law relating to individuals and business entities.
- the key tax alternatives and incentives relating to business, investment and property transactions.
- the concepts of the tax law, particularly incentives and alternatives, to make better business and investment decisions, focusing on after-tax cash flow.
- the sources of federal tax law and be able to use on-line tax research tools to conduct basic tax research.
- how to prepare an individual income tax return.

- **Attendance and Class Participation:** Students are expected to attend class regularly, to read assigned chapters, and to solve assigned problems before coming to class. Students should be prepared to answer and discuss questions on the material.

ASSESSMENT

Since this course emphasizes skill development rather than memorization, the student assessment reflects this as follows:

	<u>Points</u>	<u>Percentage</u>
Exam I	100	20%
Exam II	100	20%
Exam III (IRS VITA Exam)	50	10%
Final Exam	100	20%
Tax Research Assignments	100	20%
Tax Return Assignment	<u>50</u>	<u>10%</u>
Total	500	100%

Examinations: Students **MUST** take exams on the scheduled dates. The exams will cover the core concepts discussed during the semester and skills obtained through completing & presenting the cases. Students, who fail to take the exams on the scheduled dates, may be allowed to take the missed exam upon presentation of a valid, documented excuse. In such cases, the make-up exam will be different from the one all other students will take.

Tax Research Assignments: These assignments are provided to acquaint you with the different levels of authority in the interpretation of tax law and the technologies used in tax research, using *RIA Checkpoint* as an example. These assignments are an individual, not group, assignment. Use of this technology will also form a part of your case assignment. Case solutions will be graded based on thoroughness and soundness of analysis, conclusions, and recommendations. Writing style will be taken into account in grading.

Tax Return Assignment: This assignment requires that you calculate taxable income and the tax liability for a realistic taxpayer fact situation and complete all IRS forms required to file the federal income tax return using tax preparation software. This assignment is an individual, not group, assignment.

GRADE DETERMINATION

The final grade will be determined from the number of points earned out of the total points possible:

Final Grade	Points	% range	Meaning of the grade
A	465-500	93-100%	Exemplary performance
A-	450-464	90-92.99%	Excellent performance
B+	435-449	87-89.99%	Very good performance
B	415-434	83-86.99%	Good performance
B-	400-414	80-82.99%	Above average performance
C+	385-399	77-79.99%	Average performance
C	365-384	73-76.99%	Below average performance
C-	350-364	70-72.99%	Better than poor performance
D+	335-349	67-69.99%	Poor performance
D	315-334	63-66.99%	
F	0-314	Less than 63%	

Academic Honesty: Plagiarism is the appropriation of the ideas or texts of others, whether in electronic or hard copy forms. It is intellectual theft, and will be treated as a serious infraction of the College's Academic Integrity Policy. You can use others ideas or text if you properly disclose it in your work. In particular, the following violations will not be tolerated:

- Copying text from materials over the Internet or other sources as your original work.
- Use the work of other students or copy their materials.
- Any types of cheating during exams.

You can work with other students toward your assignments. However, your work should be original. Students who violate the College's Academic Integrity Policy will be referred to the Academic Integrity Officer. No exceptions will be made.

Fall 2010 Tentative Schedule

Date	Topic	Readings	Assignments
9/2	Introduction/ Introduction to Taxation	Ch. 1 I	Reading Assignments/Problems to be assigned
9/7	Introduction to Taxation	Ch. 1 I	Reading Assignments/Problems to be assigned
9/9	Corporate Formations and Capital Structure	Ch. 2 C	Reading Assignments/Problems to be assigned
9/13	The Corporate Income Tax	Ch. 3 C	Reading Assignments/Problems to be assigned
9/16	Partnership Formation and Operation	Ch. 9 C	Reading Assignments/Problems to be assigned
9/20	S Corporations	Ch. 11 C	Reading Assignments/Problems to be assigned
9/23	Tax Research	Ch. 1 C	Reading Assignments/Problems to be assigned
9/27	Tax Research	Ch. 1 C	
9/30	Exam #1		
10/4	Tax Research in Lab*	Ch. 1 C	Reading Assignments/Problems to be assigned
10/7	Determination of Tax	Ch. 2 I	Reading Assignments/Problems to be assigned
10/11	Gross Income: Inclusions	Ch. 3 I	Reading Assignments/Problems to be assigned
10/14	Tax Research in Lab*	Ch. 1 C	Reading Assignments/Problems to be assigned
10/18	Fall Break		
10/21	Gross Income: Inclusions	Ch. 3 I	Tax Research Assignment #1 is due Reading Assignments/Problems to be assigned
10/25	Gross Income: Exclusions	Ch. 4 I	Reading Assignments/Problems to be assigned
10/28	Property Transactions: Capital Gains and Losses	Ch. 5 I	Reading Assignments/Problems to be assigned
11/1	Deductions and Losses	Ch. 6 I	Reading Assignments/Problems to be assigned
11/4	Itemized Deductions	Ch. 7 I	Tax Research Assignment #2 is due Reading Assignments/Problems to be assigned
11/8	Itemized Deductions	Ch. 7 I	
11/11	Exam #2		
11/15	Losses and Bad Debts	Ch. 8 I	Reading Assignments/Problems to be assigned
11/18	TaxWise Training in Lab*		Reading Assignments/Problems to be assigned
11/22	Employee Expenses/Deferred Compensation	Ch. 9 I	Reading Assignments/Problems to be assigned
11/25	Thanksgiving		
11/29	Depreciation	Ch. 10 I	Reading Assignments/Problems to be assigned
12/2	Accounting Periods and Methods Sale of Primary Residence Property Transactions: Section 1231	Ch. 11 I Ch. 12 I Ch. 13 I	Reading Assignments/Problems to be assigned
12/6	Review for Exams		Tax Return Assignment is due
12/9	IRS VITA Exam in Lab		
TBA	Final Exam		

***Classes on 10/4/10, 10/14/10, 11/18/10, and 12/9/10 will meet in the following computer labs:**

8:00 am class – Social Science Building Room 021

10:00 am class – Bliss Hall Room 031

2:00 pm class – Holman Hall Room 123