

COURSE OUTLINE

ACCT-217

Tax Accounting

3 Credits

HOWARD COMMUNITY COLLEGE

Description

Current tax laws governing recognition of items of gross income, exclusions, deductions, capital gains and losses, credits, estimated taxes, employment taxes and the calculation of taxable income for an individual and sole proprietor. This course is the first of three tax courses that prepare students for individual and business decisions relating to federal taxation, the IRS Tax Return Preparer Competency Exams, and the Federal Tax Regulation Section of the Certified Public Accountant (CPA) Exam. Prerequisite: ACCT-112. (3 hours weekly)

Overall Course Objectives

Upon completion of this course, the student will be able to:

1. Identify tax structures, tax research sources, and tax practice;
2. Determine proper filing status and dependency exemptions for individual and sole proprietor taxpayers;
3. Analyze income, exclusions, deductions, and credits for individual and sole proprietor taxpayers including business related tax credits;
4. Describe various business and individual losses;
5. Utilize tax formulas for arriving at taxable income and tax liability for individual and sole proprietor taxpayers;
6. Prepare an individual and sole proprietor tax form with supporting schedules from a prepared set of facts;
7. Evaluate At-Risk and Passive-Loss limits; and
8. Develop effective tax estimates and tax planning methods for individual and sole proprietor taxpayers.

Major Topics

- I. Tax Structures, Tax Research Tools, and Tax Practice Requirements
- II. Filing Status and Dependency Exemptions
- III. Gross Income and Exclusions
- IV. Capital Gains and Losses
- V. Adjustments to Income
- VI. Employee and Self-Employed Expenses
- VII. Depreciation and Amortization
- VIII. Individual Itemized Deductions
- IX. Investor Losses: At Risk and Passive Loss Limits
- X. Tax Credits: Individual and Business
- XI. Tax Payments including Withholdings, Estimated and Payroll Taxes

Course Requirements

Grading/Exams: Grading procedures will be determined by the individual faculty member but will include the following:

Exams: Four Exams, worth approximately 80% of the total grade

Tax Problem and Writing: A complete tax return problem for a sole proprietor with a written tax letter conveying the results of the tax problem

Other Course Information

This course may be used as a Business elective and in preparation for the Maryland CPA exam.