

Syllabus for
ACT 442\GACT 542—Federal Income Tax Accounting
3 Credit Hours
Spring 2021

I. COURSE DESCRIPTION

A study of personal federal income tax accounting designed primarily to acquaint the student with both an exhaustive study of personal income tax and a brief explanation of the basic differences between the personal income tax regulations and the corporate income tax regulations.

Course Prerequisites: ACT 216

Enrollment in Federal Income Tax (ACT 442) is open to all College of Business majors and Business minors who have completed Principles of Financial and Managerial Accounting II (ACT 216) or its equivalent with a grade of "C" or better. Those wishing to enroll in the course as an elective are encouraged to request an individual conference with the instructor prior to enrollment.

II. COURSE GOALS

This course is designed to introduce the student to the fundamentals of the federal income tax for individuals and acquire the ability to prepare basic personal income tax returns. The degree of complexity and difficulty will approximate the level found in the problems assigned.

III. STUDENT LEARNING OUTCOMES FOR THIS COURSE

A. Terminal Objectives

Synthesis of the Course

After listening to class lectures, participating in class discussions, and researching income tax reference volumes, a student will be able to analyze, classify, record, and solve income tax problems on the hour examinations, and the homework with an accuracy level of 70% or above in the following major areas:

1. Fundamentals of income taxation for individuals; gross income
2. Deductions and credits relating to income
3. Property transactions: capital gains and losses; exchanges of assets; postponing recognition of gains and losses.

B. UNIT OBJECTIVES

As a result of successfully completing each unit, the student will be able to do the following:

1. Identify and properly classify the different taxpayers and types of taxes.
2. Differentiate between the terms marginal, average, and effective rate of tax.
3. Compute and file personal income tax returns by:
 - a. Identifying the tax base.
 - b. Determining personal exemptions.
 - c. Choosing whether to itemize deductions or elect the standard deduction.
 - d. Choosing whether to use the tax tables or the tax rate schedules.
 - e. Deciding when to file, how to file, and how to minimize tax.

4. Properly determine the basis of assets acquired by purchase, gift, inheritance, and trades.
5. Differentiate between items included and excluded from gross income.
6. Properly account for and report on the return, sales-exchanges of property, and compute the tax basis.
7. Identify, account for, and report properly capital gains and losses.
8. State the advantage of capital gains and losses under prior law.
9. Identify, classify, and report business deductions.
10. Identify, classify, and report non-business deductions.
11. Demonstrate the ability to determine appropriate use and proper computation of:
 - a. Credit for the elderly.
 - b. Minimum and maximum taxes.
 - c. Earned income credit.
 - d. Child tax credit
 - e. Hope credit for educational expenses
 - f. Lifetime learning credit for educational expenses
12. Calculate the child care credit on individual tax returns.
13. Compute depreciation and depreciation recapture for pre-ACRS, ACRS, and MACRS properties.
14. Demonstrate ability to assess and report bad debts and losses.
15. Describe the type of tax return filed by a partnership.
16. Identify differences in tax accounting methods and financial accounting methods.
17. Properly determine appropriate withholding for federal income tax.
18. File declarations of estimate tax properly.
19. Account for and report social security and self-employment tax.
20. Identify fundamental considerations involved in tax planning.
21. Distinguish between sec. 1231, sec. 1245, and sec. 1250 assets.
22. Contrast and compare the accounting and income taxation concepts of realization including the role of "boot."
23. Identify and account for involuntary conversions.
24. Identify the manner in which tax law is formulated.
25. Describe issues and controversies in current tax law and items which could be subject to revision in the future.
26. Calculate the realized, recognized gain or loss on the sale of a personal residence.
27. Determine the basis of a new residence after deferring recognition of gain on sale of previous residence.

IV. TEXTBOOKS AND OTHER LEARNING RESOURCES

A. Required Materials

McGraw-Hill's Taxation of Individuals 2020 Edition
11th Edition

By Brian Spilker and Benjamin Ayers and John Robinson and Edmund Outslay and Ronald Worsham and John Barrick and Connie Weaver

ISBN10: 1260433099

ISBN13: 9781260433098

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Connect Accounting: Reliable, intuitive, and rigorous learning management system – the market-leading digital solution.

V. POLICIES AND PROCEDURES

A. University Policies and Procedures

1. Students and faculty at Oral Roberts University adhere to all laws addressing the ethical use of others' materials, whether it is in the form of print, video, multimedia, or computer software. By submitting an assignment in any form, the student gives permission for the assignment to be checked for plagiarism, either by submitting the work for electronic verification or by other means.
2. Final exams cannot be given before their scheduled times. Students need to check the final exam schedule before planning return flights or other events at the end of the semester.
3. Students are to be in compliance with the University, school, and departmental policies regarding Whole Person Assessment requirements. Students should consult the WPA handbooks for requirement regarding general education and the student's major.
 - a. The penalty for not submitting electronically or for incorrectly submitting an eportfolio artifact is a zero for that assignment.
 - b. By submitting an assignment, the student gives permission for the assignments to be assessed electronically.

B. Course Policies and Procedures

1. Evaluation Procedures

There are 600 points possible in the course as follows:

Hour Examinations (2)	200 points
Comprehensive Final Examination	200 points
Homework, Chapter Problems	<u>100 points</u>
Total Points Possible	500 points

Percentage point totals:

A = 90%
B = 80%
C = 70%
D = 60%
F = Less than 60%

VI PROFESSOR INFORMATION

Dr. Bill Elliott
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College of Business Attendance Policy

- a. In line with the University policy, attendance is mandatory and is taken at the beginning of class. All students who miss class including those who are administratively excused are expected to obtain class notes and materials and to turn in assignments within a reasonable time period determined by the professor. In business, employees are allowed personal days or sick leave to be absent from the job without penalty. Similarly, students may miss class up to the number of times per week a class meets without penalty (see table below). This allowance is for illness, personal business, and/or emergencies. The professor has the discretion to excuse any absence beyond those described above.
- b. Students with excessive *unexcused* absences over the total of four (4) allowed will be assessed a penalty as follows:
1. When the total number of absences for the semester exceeds ten (10), the penalty will be three (3) points per absence.
 2. The table below will be used to determine the attendance penalty:

Total Absences	Penalty Points	Total Absences	Penalty Points
0	0	23	57
1	0	24	60
2	0	25	63
3	0	26	66
4	0	27	69
5	2	28	72
6	4	29	75
7	6	30	78
8	8	31	81
9	10	32	84
10	12	33	87
11	21	34	90
12	24	35	93
13	27	36	96
14	30	37	99
15	33	38	102
16	36	39	105
17	39	40	108
18	42	41	111
19	45	42	114
20	48	43	117
21	51	44	120
22	54	45	123

Course Inventory for ORU's Student Learning Outcomes

Federal Income Tax Accounting—ACT 442/GACT 542 Spring 2021

This course contributes to the ORU student learning outcomes as indicated below:

Significant Contribution – Addresses the outcome directly and includes targeted assessment.

Moderate Contribution – Addresses the outcome directly or indirectly and includes some assessment.

Minimal Contribution – Addresses the outcome indirectly and includes little or no assessment.

No Contribution – Does not address the outcome.

The Student Learning Glossary at <http://ir.oru.edu/doc/glossary.pdf> defines each outcome and each of the proficiencies/capacities.

OUTCOMES & Proficiencies/Capacities		Significant Contribution	Moderate Contribution	Minimal Contribution	No Contribution
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1	Outcome #1 – Spiritually Alive Proficiencies/Capacities				
1A	Biblical literacy				X
1B	Spiritual Formation				X

2	Outcome #2 – Intellectually Alert Proficiencies/Capacities				
2A	Critical thinking, creativity, and aesthetics		X		
2B	Global & historical perspectives			X	
2C	Information literacy			X	
2D	Knowledge of the physical and natural world				X

3	Outcome #3 – Physically Disciplined Proficiencies/Capacities				
3A	Healthy lifestyle				X
3B	Physically disciplined lifestyle				X

4	Outcome #4 – Socially Adept Proficiencies/Capacities				
4A	Ethical reasoning and behavior		X		
4B	Intercultural knowledge and engagement				X
4C	Written and Oral Communication			X	
4D	Leadership capacity				X

(Revised 8/1/17)