

# ACCT M50: PRINCIPLES OF INCOME TAXATION

**Originator**  
rbennington

**College**

Moorpark College

**Discipline (CB01A)**

ACCT - Accounting

**Course Number (CB01B)**

M50

**Course Title (CB02)**

Principles of Income Taxation

**Banner/Short Title**

Principles of Income Taxation

**Credit Type**

Credit

**Start Term**

Fall 2023

**Catalog Course Description**

Introduces the principles of federal and California taxation relating to individual income taxes. Emphasizes the preparation of personal tax returns.

**Additional Catalog Notes**

Completion of ACCT M50 and ACCT M51 will help prepare students for the VITA (Volunteer Income Tax Assistance) Certification exam, the CTEC (California Tax Education Council) Registered Tax Preparer exam, and the EA (Enrolled Agent) exam.

**Taxonomy of Programs (TOP) Code (CB03)**

0502.10 - \*Tax Studies

**Course Credit Status (CB04)**

D (Credit - Degree Applicable)

**Course Transfer Status (CB05) (select one only)**

B (Transferable to CSU only)

**Course Basic Skills Status (CB08)**

N - The Course is Not a Basic Skills Course

**SAM Priority Code (CB09)**

D - Possibly Occupational

**Course Cooperative Work Experience Education Status (CB10)**

N - Is Not Part of a Cooperative Work Experience Education Program

**Course Classification Status (CB11)**

Y - Credit Course

**Educational Assistance Class Instruction (Approved Special Class) (CB13)**

N - The Course is Not an Approved Special Class

**Course Prior to Transfer Level (CB21)**

Y - Not Applicable

**Course Noncredit Category (CB22)**

Y - Credit Course

**Funding Agency Category (CB23)**

Y - Not Applicable (Funding Not Used)

**Course Program Status (CB24)**

1 - Program Applicable

**General Education Status (CB25)**

Y - Not Applicable

**Support Course Status (CB26)**

N - Course is not a support course

**Field trips**

Will not be required

**Grading method**

(L) Letter Graded

**Alternate grading methods**

(O) Student Option- Letter/Pass

(P) Pass/No Pass Grading

**Does this course require an instructional materials fee?**

No

**Repeatable for Credit**

No

**Is this course part of a family?**

No

**Units and Hours**

**Carnegie Unit Override**

No

**In-Class**

**Lecture**

**Minimum Contact/In-Class Lecture Hours**

52.5

**Maximum Contact/In-Class Lecture Hours**

52.5

**Activity**

**Laboratory**

**Total in-Class**

**Total in-Class**

**Total Minimum Contact/In-Class Hours**

52.5

**Total Maximum Contact/In-Class Hours**

52.5

**Outside-of-Class****Internship/Cooperative Work Experience**

Paid

Unpaid

**Total Outside-of-Class****Total Outside-of-Class****Minimum Outside-of-Class Hours**

105

**Maximum Outside-of-Class Hours**

105

**Total Student Learning****Total Student Learning****Total Minimum Student Learning Hours**

157.5

**Total Maximum Student Learning Hours**

157.5

**Minimum Units (CB07)**

3

**Maximum Units (CB06)**

3

**Prerequisites**

Elementary Algebra (MATH M01) or placement as determined by college's multiple measures assessment process

**Advisories on Recommended Preparation**

College Writing (ENGL M02) or equivalent

**Entrance Skills****Entrance Skills**

MATH M01

**Prerequisite Course Objectives**

MATH M01-solve applied problems involving first-degree equations in one variable.

MATH M01-solve first-degree equations in one variable and check the solution for the given equation.

**Requisite Justification****Requisite Type**

Prerequisite

**Requisite**

MATH M01

**Requisite Description**

Course not in a sequence

**Level of Scrutiny/Justification**

Required communication/computation skill

**Requisite Type**

Recommended Preparation

**Requisite**

ENGL M02

**Requisite Description**

Course not in a sequence

**Level of Scrutiny/Justification**

Required communication/computation skill

**Student Learning Outcomes (CSLOs)****Upon satisfactory completion of the course, students will be able to:**

- |   |  |
|---|--|
| 1 | determine the deductability of tax items in arriving at taxable income.                                |
| 2 | complete a Form 1040, including all applicable schedules and worksheets given a taxpayer tax scenario. |

**Course Objectives****Upon satisfactory completion of the course, students will be able to:**

- |   |  |
|---|--|
| 1 | explain the concepts of tax avoidance and tax evasion and the ethical responsibilities of the tax preparer and the taxpayer. |
| 2 | determine the filing status of individuals based on marital status, income level, age, and dependency status.                |
| 3 | apply current tax laws to calculate gross income, adjusted gross income, and taxable income.                                 |
| 4 | compare and contrast tax-deductible and non-deductible expenses.   |
| 5 | calculate income tax due using tax tables or tax rate schedules.   |
| 6 | identify and compute allowable tax credits and other taxes.  |
| 7 | determine the tax effects of business income and expenses.   |
| 8 | identify and calculate capital gains and losses.   |
| 9 | compare and contrast the taxation of individuals to that of other entities, including partnerships and corporations.         |

**Course Content****Lecture/Course Content**

- 10% - Introduction to Federal Income Taxation:
  - progressive, proportional, and regressive tax structures
  - marginal and average tax rates
  - basic components of a Form 1040
  - tax liability
  - IRS Circular 230
- 10% - Expanded Tax Formula and Basic Concepts
  - filing statuses
  - dependents
  - standard deduction
  - tax due including penalties and interest
- 10% - Gross Income:
  - inclusions and exclusions
  - timing and requirements to report
  - cash method of accounting
- 10% - Adjustments for Adjusted Gross Income
  - student loan interest
  - health savings account deduction
  - moving expenses
  - deduction for self-employment
  - deduction for self-employed health insurance

- penalty on early withdrawal
- alimony paid
- educator expenses
- 10% - Itemized Deductions
  - medical expenses
  - state and local taxes
  - interest
  - gifts to charity
  - casualty and theft losses
  - other itemized deductions
- 10% - Self-Employed Business Income
  - Schedule C income
  - ordinary and necessary business expenses
  - depreciation
  - transportation and travel
- 5% - Capital Gains and Losses
  - terms and tax forms
  - asset classification
  - sales of ordinary assets
  - sales of capital assets
  - sales of business property
- 10% - Passive Income
  - rental property
  - royalties
  - flow-through entities
- 10% - Tax Credits
  - child and dependent care expenses
  - elderly or disabled
  - education
  - foreign tax
  - child tax
  - retirement savings contribution
  - adoption credit
- 10% - Payroll Taxes
  - federal income tax withholding
  - Social Security
  - Medicare
  - reporting and paying
  - self-employment
  - unemployment
  - household employees
  - employer reporting
- 5% - Tax-Deferred Plans
  - retirement
  - annuities
  - other tax deferred plans

#### Laboratory or Activity Content

Not applicable.

#### Methods of Evaluation

Which of these methods will students use to demonstrate proficiency in the subject matter of this course? (Check all that apply):

Written expression

Problem solving exercises

Methods of Evaluation may include, but are not limited to, the following typical classroom assessment techniques/required assignments (check as many as are deemed appropriate):

Group projects

Individual projects  
Objective exams  
Problem-solving exams  
Problem-solving homework  
Quizzes  
Simulations  
Skills demonstrations  
Classroom Discussion  
Projects  
Participation

## **Instructional Methodology**

### **Specify the methods of instruction that may be employed in this course**

Class discussions  
Clinical demonstrations  
Collaborative group work  
Demonstrations  
Distance Education

### **Describe specific examples of the methods the instructor will use:**

The instructor will explain the tax law and calculations, then demonstrate how to determine the taxability and effect on the taxpayer's tax return by the following teaching technique:

- introduce the tax law and calculations using the whiteboard, spreadsheets and PowerPoint presentations
- introduce and review the applicable tax concepts and mathematical calculations
- determine which tax form(s) are needed and highlight the applicable portions of the form
- prepare the taxpayer's tax return

## **Representative Course Assignments**

### **Writing Assignments**

1. Write an essay discussing the ethical responsibilities of both the tax preparer and the taxpayer.
2. Write a three-page report summarizing the significant changes in the most recent federal tax legislation.
3. Write a two-page paper comparing and contrasting tax avoidance and tax evasion.

### **Critical Thinking Assignments**

1. Determine and analyze, using a given set of facts, if there has been a breach of ethics by the tax preparer.
2. Write a letter to a client suggesting two methods for avoiding taxation under the most recent federal tax legislation.

### **Reading Assignments**

1. Read the internal revenue code (IRC) to apply current tax law to alimony payments.
2. Read the Form 1040 instructions to determine the appropriate taxability of social security payments.
3. Read the rules regarding dependent rules, including dependent children versus dependent relative.

### **Problem-Solving and Other Assignments (if applicable)**

1. Calculate the allowable amount of student loan interest deduction by applying percentages within different thresholds and phaseout.
2. Determine the most advantageous filing status for a client, using source documents and client information.

## **Outside Assignments**

### **Representative Outside Assignments**

1. Prepare a memorandum identifying the federal and state tax brackets for personal income taxation.
2. Attend a Federal and California Tax Update webinar and summarize current taxation issues.

**Articulation****Equivalent Courses at other CCCs**

<b>College</b>	<b>Course ID</b>	<b>Course Title</b>	<b>Units</b>
College of San Mateo	ACTG 181	Taxation of Individuals Using Tax Software	4
East Los Angeles College	ACCTG 015	Tax Accounting I	3
Skyline College	ACTG 171	Federal Income Tax	3
Antelope Valley Collge	ACCT 131	Introduction to Income Tax	3

**District General Education****A. Natural Sciences****B. Social and Behavioral Sciences****C. Humanities****D. Language and Rationality****E. Health and Physical Education/Kinesiology****F. Ethnic Studies/Gender Studies****Course is CSU transferable**

Yes

**CSU Baccalaureate List effective term:**

F2019

## CSU GE-Breadth

**Area A: English Language Communication and Critical Thinking**

**Area B: Scientific Inquiry and Quantitative Reasoning**

**Area C: Arts and Humanities**

**Area D: Social Sciences**

**Area E: Lifelong Learning and Self-Development**

**Area F: Ethnic Studies**

**CSU Graduation Requirement in U.S. History, Constitution and American Ideals:**

**IGETC**

**Area 1: English Communication**

**Area 2A: Mathematical Concepts & Quantitative Reasoning**

**Area 3: Arts and Humanities**

**Area 4: Social and Behavioral Sciences**

**Area 5: Physical and Biological Sciences**

**Area 6: Languages Other than English (LOTE)**

## Textbooks and Lab Manuals

### Resource Type

Textbook

### Description

Spilker, Brian C., et al. *McGraw-Hill's Taxation of Individuals and Business Entities. 2024 ed. 15<sup>th</sup> ed.*, McGraw-Hill, 2024.

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### Resource Type

Textbook

### Description

Cruz, Ana, et al. *Fundamentals of Taxation 2023. 16<sup>th</sup> ed.*, McGraw-Hill, 2023.

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### Resource Type

Textbook

### Description

Rupert, Timothy J., et al. *Pearson's Federal Taxation 2023 Individuals. 36th ed.*, Pearson, 2023.

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## Library Resources

### Assignments requiring library resources

Possible research using the Library's print and online resources, particularly EBSCO Business Source Elite database.

### Sufficient Library Resources exist

Yes

### Example of Assignments Requiring Library Resources

Research, using the Library's print and online resources, on the concepts of tax avoidance and tax evasion. Compare and contrast these terms.

## Distance Education Addendum

### Definitions

#### Distance Education Modalities

Hybrid (1%–50% online)  
Hybrid (51%–99% online)  
100% online

### Faculty Certifications

Faculty assigned to teach Hybrid or Fully Online sections of this course will receive training in how to satisfy the Federal and state regulations governing regular effective/substantive contact for distance education. The training will include common elements in the district-supported learning management system (LMS), online teaching methods, regular effective/substantive contact, and best practices.

Yes

Faculty assigned to teach Hybrid or Fully Online sections of this course will meet with the EAC Alternate Media Specialist to ensure that the course content meets the required Federal and state accessibility standards for access by students with disabilities. Common areas for discussion include accessibility of PDF files, images, captioning of videos, Power Point presentations, math and scientific notation, and ensuring the use of style mark-up in Word documents.

Yes

### Regular Effective/Substantive Contact

#### Hybrid (1%–50% online) Modality:

Method of Instruction	Document typical activities or assignments for each method of instruction
Asynchronous Dialog (e.g., discussion board)	Instructor posts discussion questions requiring an initial response then responding professionally to classmates' posts.
E-mail	Instructor will email students with announcements about the course or upcoming events. Students can email the instructor their questions or concerns.
Other DE (e.g., recorded lectures)	Instructor records lectures and posts them for students to view and review throughout the course.
Video Conferencing	Instructor may be available during specified times during the week to assist students and answer their questions via live video conferencing.

#### Hybrid (51%–99% online) Modality:

Method of Instruction	Document typical activities or assignments for each method of instruction
Asynchronous Dialog (e.g., discussion board)	Instructor posts discussion questions requiring an initial response then responding professionally to classmates' posts.
E-mail	Instructor will email students with announcements about the course or upcoming events. Students can email the instructor their questions or concerns.
Other DE (e.g., recorded lectures)	Instructor records lectures and posts them for students to view and review throughout the course.
Video Conferencing	Instructor may be available during specified times during the week to assist students and answer their questions via live video conferencing.

#### 100% online Modality:

Method of Instruction	Document typical activities or assignments for each method of instruction
Asynchronous Dialog (e.g., discussion board)	Instructor posts discussion questions requiring an initial response then responding professionally to classmates' posts.

E-mail	Instructor will email students with announcements about the course or upcoming events. Students can email the instructor their questions or concerns.
Other DE (e.g., recorded lectures)	Instructor records lectures and posts them for students to view and review throughout the course.
Video Conferencing	Instructor may be available during specified times during the week to assist students and answer their questions via live video conferencing.

## Examinations

### Hybrid (1%–50% online) Modality

On campus  
Online

### Hybrid (51%–99% online) Modality

On campus  
Online

## Primary Minimum Qualification

ACCOUNTING

## Review and Approval Dates

### Department Chair

02/27/2023

### Dean

02/28/2023

### Technical Review

03/16/2023

### Curriculum Committee

03/21/2023

### DTRW-I

MM/DD/YYYY

### Curriculum Committee

MM/DD/YYYY

### Board

MM/DD/YYYY

### CCCCO

MM/DD/YYYY

### Control Number

CCC000598671

### DOE/accreditation approval date

MM/DD/YYYY