



Course Outline

Accounting and Finance
School of Business & Economics
ACCT 3220 - **3.00** - Academic

Income Taxation 1

Rationale

Change Prerequisite for enrollment management

Calendar Description

Students examine the conceptual structure of the Income Tax Act and the application of its rules to practical situations. Topics include an introduction to federal taxation; procedures and administration; income or loss from office, employment, business, or property; capital cost allowances and cumulative eligible capital; capital gains and losses; other income and deductions; and calculation of taxable income and tax payable for individuals.

Credits/Hours

Course Has Variable Hours: No

Credits: 3.00

Lecture Hours: 3.00

Seminar Hours: 0

Lab Hours: 0

Other Hours: 0

Clarify:

Total Hours: 3.00

Delivery Methods: (Face to Face)

Impact on Courses/Programs/Departments: none

Repeat Types: A - Once for credit (default)

Grading Methods: (S - Academic, Career Tech, UPrep)

Educational Objectives/Outcomes

1. Describe the general structure of the Canadian income taxation system as it applies to the three taxable entities.
2. Summarize the procedures and administrative requirements imposed by the Canadian Income Tax Act.
3. Explain the basic concepts of employment income.
4. Apply the provisions of the capital cost allowance system.

5. Illustrate the major differences between net business income for tax purposes and net income calculated under Generally Accepted Accounting Principles.
6. Discuss the nature of different types of property income and how they are taxed.
7. Demonstrate the general rules for the determination of gains and losses on the disposition of capital assets.
8. Identify the major other sources of income that are listed under Subdivision “d” of the Income Tax Act.
9. Calculate the taxable income and taxes payable for an individual residing in Canada.

Prerequisites

ACCT 1000-Introduction to Financial Accounting
ACCT 1000-Introduction to Financial Accounting
with a minimum B- or
ACCT 1211-Accounting 1
with a minimum B- and
ACCT 1221-Accounting 2
with a minimum B- or
ACCT 2210-Financial Accounting or
equivalent with a minimum B-
and
CMNS 1290-Introduction to Professional Writing or
equivalent with a minimum C-

Co-Requisites

Recommended Requisites

Exclusion Requisites

ACCT 3221-Income Taxation 1
ACCT 3260-Taxation for Decision Making
BBUS 3220-Income Taxation 1

BBUS 3221-Income Taxation 1
BBUS 3260-Taxation for Decision Making

Texts/Materials

Textbooks

1. **Required** Byrd and Chen. *Canadian Tax Principles* Pearson Canada

Student Evaluation

The Course grade is based on the following course evaluations.

Midterm(s) 50%

Final exam 50%

Students must pass the exam to pass the course.

Course Topics

1. Introduction To Federal Taxation

- The Canadian Tax System
 - Tax Policy Concepts
 - Income Tax Reference Materials
 - Liability For Income Tax
 - Alternative Concepts Of Income
 - Net Income For Tax Purposes
 - Net Income To Taxable Income
- Principles of Tax Planning

2. Procedures and Administration

- Administration Of The Department
 - Source Deductions
 - Returns and Payments
 - Income Tax Information Returns
 - Refunds
 - Books and Records
 - Assessments
 - Adjustments To Income Tax Returns
 - Appeals
 - Tax Evasion, Avoidance And Planning
 - Collection And Enforcement
- Fairness Package

3. Income or Loss From an Office or Employment

- Employment Income Defined
- Employee Versus Self-Employed
- Inclusions – Salary And Wages
- Inclusions – Fringe Benefits
- Specific Deductions

4. Capital Cost Allowances and Cumulative Eligible Capital

- Capital Cost Allowance System
 - Addition To Capital Cost
 - Capital Cost Allowances
 - Dispositions Of Depreciable Assets
 - CCA Schedule
 - CCA Determination – Special Situations
- Cumulative Eligible Capital (CEC)

5. Income or Loss From a Business

- Defining Business Income
- Business Income vs. Capital Gains
- Business Income and GAAP
- Business Income – Inclusions (Revenue)
- Limitations On Deductions From Business And Property Income
- Business Income – Special Deductions
- Reconciliation Schedule
- Taxation Year

Special Business Income Situations

6. Property Income

- Introduction
- Property Income: General Concept
- Interest As A Deduction
- Interest Income
- Payments Based On Production Or Use
- Rental Income

Cash Dividends From Taxable Canadian Corporations

- Income Trusts
- Mutual Funds
- Other Types Of Dividends
- Foreign Source Income
- Shareholder Benefits

7. Capital Gains and Losses

- Economic Background
- General Rules

8. Other Income and Deductions

- Introduction
- Other Income – Subdivision d Inclusions
- Other Deductions – Subdivision e deductions
- Related Inclusions And Deductions
- Income Attribution

9. Taxable Income and Tax Payable for Individuals

- Introduction
- Taxable Income Of Individuals
- Computation Of Taxes Payable
- Calculating Tax Credits
- Personal Tax Credits
- Other Tax Credits For Individuals
- Refundable Credits
- Social Benefits Repayment (OAS and EI)
- Treatment Of Losses
- Lifetime Capital Gains Deduction

Methods for Prior Learning Assessment and Recognition

As per TRU Policy

Last Action Taken

Implement by Submission Preview Subcommittee Chair CurricUNET Administrator

Current Date: 27-Oct-20