

**CENTRAL TEXAS COLLEGE**  
**SYLLABUS FOR ACNT 1331**  
**Federal Income Tax: Individual**  
**Semester Hours Credit: 3**

**INSTRUCTOR:** \_\_\_\_\_  
**OFFICE HOURS:** \_\_\_\_\_

**I. INTRODUCTION**

**A.** A study of the federal tax law for preparation of individual income tax returns.

**B.** ACNT 1331 is an optional course for the Certificate in Accounting Technician.

**C.** Federal Income Tax: Individual is an optional course for a Certificate in Accounting Technician. This is an introductory course in Federal Income Taxation of Individuals that includes the hands-on use of computerized tax preparation programs. The software used is TaxAct, a full featured tax reporting package used in many individuals and small to mid-sized businesses. It requires students to prepare Federal Tax Forms the current year TaxAct software.

This course includes basic instruction in the tax laws as currently implemented by the Internal Revenue Service, providing a working knowledge of preparing taxes for individuals. Emphasis on federal income tax law; individual income, exclusions, deductions, credits, gains, etc.; and incorporating these concepts into individual tax filing requirements.

**D.** Prerequisites: None

**E.** Alphanumeric coding used throughout this syllabus denotes integration of the Secretary's Commission on Achieving Necessary Skills (SCANS) occupational competencies (CA, C1, 2, B, etc.) and foundation skills (B, C1, 2, FA, etc.) for this course. The instructor will ensure the designated SCANS competencies and skills are addressed in the course. A detailed description of each competency/skill is contained in "A SCANS Report for America 2000," Executive Summary, furnished.

**II. LEARNING OUTCOMES**

Upon successful completion of this course, Federal Income Taxation: Individual the student will be able to:

**A.** Identify different tax structures, tax rates, taxing authorities and basic components of simple tax returns

**B.** Determine individual filing status, personal and dependency exemptions, standard deductions, taxes due and additional liabilities.

- C. Determine gross income and identify inclusions and exclusions for tax purposes.
- D. Identify and apply adjustments to gross income
- E. Identify and calculate itemized deductions.
- F. Recognize, calculate and report self-employed business income and deductions
- G. Recognize, calculate and report gains and losses from capital property transactions
- H. Recognize, calculate and report income and expenses from rental properties, royalties and flow through entities
- I. Recognize, calculate and report tax credits
- J. Recognize, calculate and report taxes associated with payrolls
- K. Explain retirement plans and other tax deferred annuities.
- L. Explain and apply rules on special property transactions.
- M. Explain and apply at risk rules and calculate the alternative minimum tax
- N. The following SCANS competencies and foundations skills will be covered in this course:

1. Foundation Skills:

a. Basic Skills

- (1) Reading (FA1)
- (2) Writing (FA2)
- (3) Mathematics (FA3)
- (4) Listening (FA4)
- (5) Speaking (FA5)

b. Personal Qualities

- (1) Responsibility (FC1)
- (2) Self-esteem (FC2)
- (3) Sociability (FC3)
- (4) Self-management (FC4)
- (5) Integrity/honesty (FC5)

2. Competencies

a. Resources

- (1) Time (CA1)
- (2) Money/budget (CA2)

b. Information

- (1) Acquires/uses (CC1)
- (2) Organizes/maintains (CC2)
- (3) Interprets/communicates (CC3)

### III. INSTRUCTIONAL MATERIALS

- A. The instructional materials identified for this course are viewable through [www.ctcd.edu/books](http://www.ctcd.edu/books)

- B. Required: Only new text books will come with the required software package – McGraw Hill Connect

**IV. COURSE REQUIREMENTS**

- A. Reading Assignments: Read text assignments prior to class and be prepared to discuss the text material, answering instructor questions orally with well-organized thoughts and ideas. (CC3, FA1 & 5)
- B. Homework Assignments: Instructor will assign homework adaptive reading, exercises and problems which must be completed as scheduled. (FA2, FA3, FC1, CA1, CC1 through CC3)
- C. Class Attendance: (Refer to CTC Catalog, Page 66 for detailed policy). (FC1 & 4) You are expected to attend each class period or be counted absent. You are responsible for all course material missed due to absence. The instructor does not provide class notes for classes missed.

**V. EXAMINATIONS (CC1 through CC3; CA1, CA2; FA1 through FA5)**

- A. There will be one major exam
- B. Quizzes will be administered for each chapter along with homework.

**VI. SEMESTER GRADE COMPUTATIONS**

- A. Points for grades will be awarded as follows:

Chapters 1-12 LearnSmart adaptive readings (10 points each)	120
Chapters 1-12 Practice multiple choice questions and exercises (20 points each)	240
Chapters 1-12 Learning exercises and Tax Reporting Problems (40 points each)	480
Chapters 1-12 Multiple choice quizzes (30 points each)	360
Comprehensive Tax Reporting Problems	150
Comprehensive final exam	150
Total	1500

- B. Letter grades will be assigned based on the percentage of total points earned as follows:  
 90-100% = A 80- 89% = B 70- 79% = C 60- 69% = D BELOW 60% = F

**VII. NOTES AND ADDITIONAL INSTRUCTIONS FROM COURSE INSTRUCTOR**

- A. Course Withdrawal: It is the student's responsibility to officially withdraw from a class if circumstances prevent attendance. Any student who desires to, officially withdraw from a

course after the first scheduled class meeting must file a Central Texas College Application for Withdrawal (CTC Form 59). The withdrawal form must be signed by the student.

CTC Form 59 will be accepted at any time prior to Friday, the 12th week of classes during the 16-week fall and spring semesters. The deadline for sessions of other lengths is:

- 10-week session Friday of the 8th week
- 8-week session Friday of the 6th week
- 5-week session Friday of the 4th week

The equivalent date (75% of the semester) will be used for sessions of other lengths. The specific last day to withdraw is published each semester in the Schedule Bulletin.

A student who officially withdraws will be awarded the grade of "W", provided the student's attendance and academic performance are satisfactory at the time of official withdrawal. Students must file a withdrawal application with the College before they may be considered for withdrawal. A student may not withdraw from a class for which the instructor has previously issued the student a grade of "F" or "FN" for nonattendance.

- B. Administrative Withdrawal:** An administrative withdrawal may be initiated when the student fails to meet College attendance requirements. The instructor will assign the appropriate grade on CTC Form 59 for submission to the registrar.
- C. Incomplete Grade:** The College catalog states, "An incomplete grade may be given in those cases where the student has completed the majority of the course work but, because of personal illness, death in the immediate family, or military orders, the student is unable to complete the requirements for a course..." Prior approval from the instructor is required before the grade of "IP" is recorded. A student who merely fails to show for the final examination will receive a zero for the final and an "F" for the course.
- D. Cellular Phones and Beepers:** Cellular phones and beepers will be turned off while the student is in the classroom.
- E. American's With Disabilities Act (ADA):** Disability Support Services provide services to students who have appropriate documentation of a disability. Students requiring accommodations for class are responsible for contacting the Office of Disability Support Services (DSS) located on the central campus. This service is available to all students, regardless of location. Explore the website at [www.ctcd.edu/disability-support](http://www.ctcd.edu/disability-support) for further information. Reasonable accommodations will be given in accordance with the federal and state laws through the DSS office.
- F. Instructor Discretion:** The instructor reserves the right of final decision in course requirements.

- G. Civility: (FC3)** Individuals are expected to be cognizant of what a constructive educational experience is and respectful of those participating in a learning environment. Failure to do so can result in disciplinary action up to and including expulsion.
- H. Honesty and Integrity: (FC5)** All students are required and expected to maintain the highest standards of scholastic honesty in the preparation of all course work and during examinations. The following will be considered examples of scholastic dishonesty:
- a. Plagiarism: The taking of passages from writing of others without giving proper credit to the sources.
  - b. Collusion: Using another's work as one's own; or working together with another person in the preparation of work, unless joint preparation is specifically approved in advance by the instructor.
  - c. Cheating: Giving or receiving information on examinations. Students guilty of scholastic dishonesty will be administratively dropped from the course with a grade of "F" and will be subject to disciplinary action. (FC5)

## **VIII. COURSE OUTLINE**

### **Unit One: Introduction to federal income taxation and basic filing requirements.**

1. Learning Outcomes: Upon successful completion of this unit, the student will be able to:

#### Chapter 1. Introduction to Taxation, the Income Tax Formula, and Form 1040EZ

- a) Understand progressive, proportional, and regressive tax structures
- b) Understand the concepts of marginal and average tax rates as well as a simple income tax formula
- c) Understand the components of a Form 1040EZ income tax return
- d) Determine tax liability in instances when a Form 1040EZ is appropriate
- e) Understand the types of tax authority and how they interrelate (Appendix A)
- f) Understand the provisions of IRS Circular 230 for paid tax preparers (Appendix B)

#### Chapter 2. Expanded Tax Formula, Forms 1040A and 1040, and Basic Concepts

- a) Describe the expanded tax formula and the components of the major sections of Form 1040A and Form 1040
- b) Determine the proper filing status
- c) Calculate personal exemptions
- d) Calculate dependency exemptions
- e) Determine the standard deduction
- f) Compute the amount of tax due to the Internal Revenue Service (IRS)

e) Determine what interest and penalties the IRS can assess and in what instances certain penalties are applicable

2. Learning Activities:

- a) Read the assigned chapter paying particular attention to the underlined materials. (FA1, FC1)
- b) Complete the Learn Smart Adaptive Learning Assignment in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- c) Complete the assigned Practice Exercises in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- d) Complete the assigned Learning Activities in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- e) Complete the assigned Quiz in McGraw Hill Connect to test your knowledge of the materials.

3. Unit Outline: Follow the sequence of unit learning outcomes.

**Unit Two: Calculating and reporting gross income with inclusions, exclusions and adjustments**

1. Learning Outcomes: Upon successful completion of this unit, the student will be able to:

Chapter 3 Describe when and how to record income for tax purposes

- a) Apply the cash method of accounting to income taxes
- b) Explain the taxability of components of gross income, including interest, dividends, tax refunds, and social security benefits
- c) Apply the rules concerning items excluding from gross income
- d) Apply the rules associated with tax accounting for savings bond interest used for education expenses, below-market interest loans, gift loans, and original issue discount debt
- e) (Appendix) 3 Gross Income: Inclusions and Exclusions

Chapter 4 Adjustments for Adjusted Gross Income

- a) Describe the tax rules for student loan interest
- b) Be able to determine eligibility requirements and applicable dollar limits related to the health Savings Account deduction
- c) Determine the deduction for moving expenses
- d) Explain the deduction for half of self-employment taxes
- e) Discuss the self-employed health insurance deduction
- f) Explain the penalty on early withdrawal of savings

- g) Be able to calculate the deduction for alimony paid
- h) Determine the deduction for educator expenses
- i) Be able to calculate the deduction for eligible tuition and fees

2. Learning Activities:

- a) Read the assigned chapter paying particular attention to the underlined materials. (FA1, FC1)
- b) Complete the Learn Smart Adaptive Learning Assignment in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- c) Complete the assigned Practice Exercises in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- d) Complete the assigned Learning Activities in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- e) Complete the assigned Quiz in McGraw Hill Connect to test your knowledge of the materials.

3. Unit Outline: Follow the sequence of unit learning outcomes.

**Unit Three: Itemized Deductions**

1. Learning Outcomes: Upon successful completion of this unit, the student will be able to:

Chapter 5. Itemized deductions

- a) Describe the deductibility and reporting of medical expenses
- b) Be able to explain the state and local tax deductions
- c) Apply the tax rules associated with the interest deduction
- d) Explain the deductibility and reporting of charitable contributions
- e) Discuss the casualty loss deduction
- f) Know how to report miscellaneous expenditures
- g) Apply the tax rules for limitations on total itemized deductions for high-income taxpayers in 2015

2. Learning Activities:

- a) Read the assigned chapter paying particular attention to the underlined materials. (FA1, FC1)
- b) Complete the Learn Smart Adaptive Learning Assignment in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- c) Complete the assigned Practice Exercises in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- d) Complete the assigned Learning Activities in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)

- e) Complete the assigned Quiz in McGraw Hill Connect to test your knowledge of the materials.

3. Unit Outline: Follow the sequence of unit learning outcomes.

#### **Unit Four: Self-Employed Business Income**

1. Learning Outcomes: Upon successful completion of this unit, the student will be able to:

#### Chapter 6 Self Employed Business Income

- a) Describe how income and expenses for a self-employed individual are recognized and reported
- b) Explain the concept of ordinary and necessary business expenses.
- c) Explain the calculation for depreciation for trade or business expenses
- d) Describe travel and entertainment expense and discuss their deductibility
- e) Apply the rules for deducting the business portion of a residence and business bad debts
- f) Explain the hobby loss rules and the limits on educational expense deductibility
- g) Describe the calculation of self-employment taxes

2. Learning Activities:

- a) Read the assigned chapter paying particular attention to the underlined materials. (FA1, FC1)
- b) Complete the Learn Smart Adaptive Learning Assignment in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- c) Complete the assigned Practice Exercises in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- d) Complete the assigned Learning Activities in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- e) Complete the assigned Quiz in McGraw Hill Connect to test your knowledge of the materials.

3. Unit Outline: Follow the sequence of unit learning outcomes.

#### **Unit Five: Capital, Property, Rental, Royalties and Flow through transactions**

1. Learning Outcomes: Upon successful completion of this unit, the student will be able to:

#### Chapter 7. Capital Gains and Other Sales of Property



- a) Define the terms and identify the tax forms used in sales of property transactions
- b) Classify assets sold as ordinary assets, §1221 capital assets, or §1231 business assets
- c) Explain and apply the tax rules for recognizing gains or losses on the sale of ordinary assets
- d) Explain and apply the tax rules for recognizing short-term and long-term gains or losses on the sale of capital assets (§1221)
- e) Calculate the recognized gain or loss on the sale of §1231 business assets, including gain recapture provisions of §1245 and §1250 property
- f) Describe the tax rules for special types of sales, including block stock sales, capital gains distributions, sales of mutual funds, worthless securities, and sales of property received as a gift or through inheritance

## Chapter 8 Rental Property, Royalties, and Income from Flow-Through Entities

- a) Explain how income and expenses are recognized and reported for rental property
- b) Understand how to report personal use of a rental property (vacation home)
- c) Know how to report royalty income on Schedule E
- d) Discuss different types of flow-through entities reported on Schedule E, such as partnerships, S corporations, LLC's, trusts and estates

### 2. Learning Activities:

- a) Read the assigned chapter paying particular attention to the underlined materials. (FA1, FC1)
- b) Complete the Learn Smart Adaptive Learning Assignment in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- c) Complete the assigned Practice Exercises in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- d) Complete the assigned Learning Activities in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- e) Complete the assigned Quiz in McGraw Hill Connect to test your knowledge of the materials.

### 3. Unit Outline: Follow the sequence of unit learning outcomes.

## Unit Six: Tax Credits

### 1. Learning Outcomes: Upon successful completion of this unit, the student will be able to:

#### Chapter 9. Tax Credits

- a) Apply the tax rules and calculate the credit for child and dependent care expenses
- b) Apply the tax rules and calculate the credit for the elderly or the disabled

- c) Apply the tax rules and calculate the education credits
- d) Apply the tax rules and calculate the foreign tax credit (FTC)
- e) Apply the tax rules and calculate the child tax credit
- f) Apply the tax rules and calculate the retirement savings contributions credit
- g) Apply the tax rules and calculate the adoption credit
- h) Apply the tax rules and calculate the earned income credit (EIC)
- i) Apply the tax rules for the premium tax credit under the Affordable Care Act

## 2. Learning Activities:

- a) Read the assigned chapter paying particular attention to the underlined materials. (FA1, FC1)
- b) Complete the Learn Smart Adaptive Learning Assignment in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- c) Complete the assigned Practice Exercises in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- d) Complete the assigned Learning Activities in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- e) Complete the assigned Quiz in McGraw Hill Connect to test your knowledge of the materials.

## 3. Unit Outline: Follow the sequence of unit learning outcomes.

### **Unit Seven: Payroll taxes and retirement and other deferred tax plans**

1. Learning Outcomes: Upon successful completion of this unit, the student will be able to:

#### Chapter 10. Payroll Taxes

- a) Explain the tax issues associated with payroll and Form 1040
- b) Calculate federal income tax withholding, social security, and Medicare taxes on wages and tips
- c) Describe the rules for reporting and paying payroll taxes, including deposit penalties and Form 941
- d) Calculate self-employment taxes, unemployment taxes, Form 940, taxes for household employees, and Schedule H
- e) Determine employer payroll reporting requirements, including Forms W-2 and W-3
- f) Explain supplement wage payments, backup withholding, Form W-9, estimated tax payment, and Form 1040-ES

#### Chapter 11. Retirement and Other Tax-Deferred Plans and Annuities

- a) Discuss the basic tax and operational structure of tax-deferred plans and annuities
- b) Explain details about and contributions to employer-sponsored retirement plans

- c) Describe the tax rules related to contributions to individual-sponsored retirement plans
- d) Explain details about and contributions to tax-deferred nonretirement plans
- e) Apply the tax rules for distributions from tax-deferred plans and the tax treatment of those distributions
- f) Determine the tax treatment of annuity contracts

2. Learning Activities:

- a) Read the assigned chapter paying particular attention to the underlined materials. (FA1, FC1)
- b) Complete the Learn Smart Adaptive Learning Assignment in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- c) Complete the assigned Practice Exercises in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- d) Complete the assigned Learning Activities in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- e) Complete the assigned Quiz in McGraw Hill Connect to test your knowledge of the materials.

3. Unit Outline: Follow the sequence of unit learning outcomes.

**Unit Eight: Special property transactions, at risk rules and alternative minimum taxes**

1. Learning Outcomes: Upon successful completion of this unit, the student will be able to:

Chapter 12. Special Property Transactions

- a) Explain how to defer gains using the like-kind exchange rules
- b) Describe how to account for and report involuntary conversions
- c) Apply the tax rules to report an installment sale
- d) Explain how to exclude a gain on the sale of a personal residence
- e) Apply the rules affecting related parties and wash sales

Chapter 13. At-Risk, Passive Activity Loss Rules and the Individual alternative Minimum Tax

- a) Explain the process of applying the at-risk rules
- b) Describe the rules and applications related to passive activities
- c) Explain how the passive activity loss rules and at-risk rules work together to limit the deductibility of losses
- d) Explain the alternative minimum tax and how it is calculated

2. Learning Activities:

- f) Read the assigned chapter paying particular attention to the underlined materials. (FA1, FC1)
- g) Complete the Learn Smart Adaptive Learning Assignment in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- h) Complete the assigned Practice Exercises in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- i) Complete the assigned Learning Activities in McGraw Hill Connect. (FA2, FA3, FC1, CA1, CC1 through CC3)
- j) Complete the assigned Quiz in McGraw Hill Connect to test your knowledge of the materials.

3. Unit Outline: Follow the sequence of unit learning outcomes.