

Course ID:	Course Title:	Fall 2017
ACC 425	Introduction to Taxation	Prerequisite: ACC 200
		Credits: 3

Class Information		Instructor Information		Important Dates	
Days:	Tuesdays and Thursdays	Instructor:	Sara Jimenez, CPA, CA, CFF, CFE	First day of classes:	Wed., Sept. 6
Time:	9:45 to 11:00am	Email:	sara.jimenez@ambrose.edu	Last day to add/drop, or change to audit:	Sun, Sept 17
Room:	RE 104	Phone:	NA	Last day to request revised exam:	Mon, Oct. 23
Lab/ Tutorial:	N/A	Office:	Sessional	Last day to withdraw from course:	Mon, Nov 13
		Office Hours:		Last day to apply for coursework extension:	Mon, Nov 20
Final Exam:	Dec 13 th - 9am Room A2210			Last day of classes:	Mon, Dec 11

Course Description

This course provides an introduction to personal and corporate Canadian income tax systems. The impact of taxes on business decisions will be examined. Students will be required to analyze personal and business tax problems and apply the concepts learned to resolve these situations.

Topics will include the difference between accounting income and net income for tax purposes. Calculations of taxable income and taxes payable for both individuals and corporations. We will look at taxation of partnerships and trusts, rollovers of assets into a business and other tax concepts affecting corporations.

Expected Learning Outcomes

General Concepts and Principles of Taxation
<ul style="list-style-type: none"> • Structure and interpretation of the <i>Income Tax Act</i> • General anti-avoidance rule • Filing deadlines and requirements • Notice of assessment, interest and penalties, failures and omission • Objections to assessments and appeal process • Existence of tax conventions and treaties • Concept of residency, deemed resident, part-year resident

- Attribution rules
- Other types of taxation (HST/GST, etc.)
- Integration under the ITA

Stakeholder Relationships

- Non-arm's length and related persons
- Associated or connected corporations
- Affiliated persons
- Personal service business

Legal Form and Structures

- Sole proprietorship
- Corporation (e.g., private, CCPC, public)
- Joint ventures
- Partnerships

Sources and Computation of Taxable Income

- a) Sources and types of income:
 - Office or employment
 - Employee or self-employed, personal services business
 - Business or property income
- b) Capital cost allowance (CCA):
 - General principles and definitions: UCC, Recapture, Terminal Loss, Acquisition and Disposition
 - Special rules:
 - Exchanges of property – replacement
 - Change in use, non-arm's length
 - Passenger vehicle – luxury
 - Deemed capital cost – inducement
 - Expenses of representation
 - Disposition of a building and land
 - Loss on certain transfers
 - Available for use
 - Consideration – FMV rules
 - Short taxation year
- c) Taxable capital gains and allowable capital losses
 - General rules, definitions & computation
 - Identical property rule
 - Proceeds of disposition – allocation
 - Inadequate consideration, gifting
 - Election – disposition of Canadian securities
 - Business investment loss
 - Capital gains reserves
 - Principal residence
 - Listed personal property
 - Small business share rollover

- Personal use property
 - Special rules
 - Dispositions to affiliated persons
 - Options and convertible property
 - Adjusted cost base — inclusions and deductions
- d) Other sources of income inclusions and deductions
- Indirect payments
 - Interest-free or low-interest loans
 - Maintenance
 - Retiring allowance and termination payments
 - Support payments
 - Annuity payments
 - Transfer of retirement income and sheltered amounts
 - Moving expenses
 - Child care expenses
 - Disability support deduction

Computation of Taxes Payable

- a) Tax payable for a corporation:
- Including SBD, general tax reduction, RDTOH, refundable Part I tax and Part IV tax
- b) Tax payable for an individual: Part 1.2, Non-refundable and refundable tax credits, AMT
- c) Computation of taxable income deductions (e.g., donations, loss carry-overs, dividends, etc.)
- Rules applicable to all taxpayers: Foreign tax credit, political contributions credit

Tax Planning for Corporations and Individuals

Owner-manager tax-planning:

- Incorporation
- Compensation options for owner-manager/ employment income vs. dividends
- Shareholder and employee benefits and loans, deemed interest paid
- Tax on split income (kiddie tax)

Business structure planning

- Business combinations and corporate reorganizations
- Wind-up of a subsidiary into its parent corporation
- Transfer of assets to a corporation
- Non-arm's length sale of shares
- Acquisition of control
- Purchase and Sale of assets vs. shares

Succession and Estate Planning

- Transfer of property to spouse
- Transfer of property to children
- Income splitting and attribution rules
- Deemed disposition on death
- Returns of a deceased individual

Trusts

- Types of trusts (inter vivos and testamentary trusts)
- Distributions from trusts on beneficiary

<ul style="list-style-type: none"> Income and taxes payable for inter-vivos and testamentary trusts Impact of distributions from trusts to beneficiary
Partnership
<ul style="list-style-type: none"> Transactions between a partnership and its partners Limited partnership — at-risk rules Flow-through of partnership income to a corporate partner Allocation of income/loss from a partnership to be recorded on the individual's tax return
Deferred Income Plans
<ul style="list-style-type: none"> RRSP, TFSA, RESP, RDSP
GST/HST
<ul style="list-style-type: none"> Liability for tax Input tax credits Registration Collection and remittance

Textbooks

Byrd and Chen's Canadian Tax Principles Volumes I and II
 ISBN 978-0-13-407112-1

Course Schedule

September 7th - Introduction to Taxation and Course, Using Tax Software

September 12th - Taxation in Canada, Procedures and Administration

September 14th - Capital Property, CCA and Introduction to Capital Gains

September 19th - Income or Loss from Employment

September 21st - Income or Loss from Business

September 26th - Income from Property, Capital Gains and Losses

October 3rd - Other Income, Other Deductions, Savings Options

October 5th - Review

October 10th - Review

October 12th - Mid-term Exam

October 17th - Taxable Income and Taxes Payable for an Individual

October 19th - Taxable Income and Taxes Payable for an Individual

October 24th - Taxable Income and Taxes Payable for a Corporation

October 26th - Taxable Income and Taxes Payable for a Corporation

October 31st - Investment Income and Integration

November 2nd - Sales of an Incorporated Business

November 14th - Rollovers

November 16th - Trusts and Estate Planning

November 21st - Partnerships

November 23rd - GST/HST

November 28th - Other Taxation Issues
November 30th - Other Taxation Issues
December 5th and 7th - Review for Final Exam
December 13th - Final Exam

Requirements:

One Assignment in Two Parts - 20%

Prepare posted T1 and T2 problems in both Excel and in Profile, as per posted specifications. Work must include all labels, explanations, and calculations in Excel and for Profile all audit queries must be cleared.

Assignments are due in Moodle on the following dates by end of day on **December 11th**.

Quizzes - 20%

There will be two in-class quizzes on randomly selected dates.

Midterm Exam - 30%

A comprehensive mid-term exam will take place made up on multiple choice and written answer questions.

Final Exam - 30%

A comprehensive final exam will take place made up of multiple choice and written answer questions.

Attendance:

Attendance at all classes is expected. This course covers a lot of material and missing class could result in falling behind.

Grade Summary:

The available letters for course grades are as follows:

% Grade	Letter Grade	
95% to 100%	A+	
90% to 94%	A	Excellent
85% to 89%	A-	
80% to 84%	B+	
76% to 79%	B	Good
72% to 75%	B-	
68% to 71%	C+	
64% to 67%	C	Satisfactory
60% to 63%	C-	
55% to 59%	D+	
50% to 54%	D	Minimal Pass
0% to 49%	F	Failure

Because of the nature of the Alpha 4.00 system, there can be no uniform University-wide conversion scale. The relationship between raw scores (e.g. percentages) and the resultant letter grade will depend on the nature of the course and the instructor's assessment of the level of each class, compared to similar classes taught previously.

Please note that final grades will be available on student registration system. Printed grade sheets are not mailed out.

Ambrose University Academic Policies:

Communication

All students have received an Ambrose e-mail account upon registration. It is the student's responsibility to check this account regularly as the Ambrose email system will be the professor's instrument for notifying students of important matters (cancelled class sessions, extensions, requested appointments, etc.) between class sessions. If students do not wish to use their Ambrose accounts, they will need to forward all messages from the Ambrose account to another personal account.

Registration

During the **Registration Revision Period** students may enter a course without permission, change the designation of any class from credit to audit and /or voluntary withdraw from a course without financial or academic penalty or record. Courses should be added or dropped on the student portal by the deadline date; please consult the List of Important Dates. After that date, the original status remains and the student is responsible for related fees.

Students intending to withdraw from a course after the Registration Revision Period must apply to the Office of the Registrar by submitting a "Request to Withdraw from a Course" form or by sending an email to the Registrar's Office by the **Withdrawal Deadline**; please consult the List of Important Dates on the my.ambrose.edu website. Students will not receive a tuition refund for courses from which they withdraw after the Registration Revision period. A grade of "W" will appear on their transcript.

Students wishing to withdraw from a course, but who fail to do so by the applicable date, will receive the grade earned in accordance with the course syllabus. A student obliged to withdraw from a course after the Withdrawal Deadline because of health or other reasons may apply to the Registrar for special consideration.

Exam Scheduling

Students, who find a conflict in their exam schedule must submit a Revised Examination Request form to the Registrar's Office by the deadline date; please consult the List of Important Dates. Requests will be considered for the following reasons only: 1) the scheduled final examination slot conflicts with another exam; 2) the student has three final exams within three consecutive exam time blocks; 3) the scheduled final exam slot conflicts with an exam at another institution; 4) extenuating circumstances. Travel is not considered a valid excuse for re-scheduling or missing a final exam.

Electronic Etiquette

Students are expected to treat their instructor, guest speakers, and fellow students with respect. It is disruptive to the learning goals of a course or seminar and disrespectful to fellow students and the instructor to use electronics for purposes unrelated to the course during a class session. Turn off all cell phones and other electronic devices during class. Laptops should be used for class-related purposes only. Do not use iPods, MP3 players, or headphones. Do not text, read, or send personal emails, go on Facebook or other social networks, search the internet, or play computer games during class. Some professors will not allow the use of any electronic devices in class. The professor has the right to disallow the student to use a

laptop in future lectures and/or to ask a student to withdraw from the session if s/he does not comply with this policy. Repeat offenders will be directed to the Dean. If you are expecting communication due to an emergency, please speak with the professor before the class begins.

Academic Policies

It is the responsibility of all students to become familiar with and adhere to academic policies as stated in the Academic Calendar. Personal information (information about an individual that may be used to identify that individual) may be required as part of taking this class. Any information collected will only be used and disclosed for the purpose for which the collection was intended. For further information contact the Privacy Compliance Officer at privacy@ambrose.edu.

Extensions

Although extensions to coursework in the semester are at the discretion of the instructor, students may not turn in coursework for evaluation after the last day of the scheduled final examination period unless they have received permission for a course Extension from the Registrar's Office. Requests for course extensions or alternative examination time must be submitted to the Registrar's Office by the deadline date; please consult the List of Important Dates. Course extensions are only granted for serious issues that arise "due to circumstances beyond the student's control."

Appeal of Grade

An appeal for change of grade on any course work must be made to the course instructor within one week of receiving notification of the grade. An appeal for change of final grade must be submitted to the Registrar's Office in writing and providing the basis for appeal within 30 days of receiving notification of the final grade, providing the basis for appeal. A review fee of \$50.00 must accompany the appeal. If the appeal is sustained, the fee will be refunded.

Academic Integrity

We are committed to fostering personal integrity and will not overlook breaches of integrity such as plagiarism and cheating. Academic dishonesty is taken seriously at Ambrose University as it undermines our academic standards and affects the integrity of each member of our learning community. Any attempt to obtain credit for academic work through fraudulent, deceptive, or dishonest means is academic dishonesty. Plagiarism involves presenting someone else's ideas, words, or work as one's own. Plagiarism is fraud and theft, but plagiarism can also occur by accident when a student fails or forgets to acknowledge to another person's ideas or words. Plagiarism and cheating can result in a failing grade for an assignment, for the course, or immediate dismissal from the university college. Students are expected to be familiar with the policies in the current Academic Calendar that deal with plagiarism, cheating, and the penalties and procedures for dealing with these matters. All cases of academic dishonesty are reported to the Academic Dean and become part of the student's permanent record.

Note: Students are strongly advised to retain this syllabus for their records.