

# Minnesota State University Moorhead

## ACCT 441: Tax Accounting I

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: 0

OJT Hours/Week: \*.\*

Prerequisites:

This course requires the following prerequisite  
ACCT 231 - Principles of Accounting II

Corequisites: None

MnTC Goals: None

Outline of federal tax system. Introduction to concepts of gross income, exclusions, deductions, alternative minimum tax, tax credits, tax payment procedures, property transactions, accounting periods, accounting methods, deferred compensation, corporations and partnerships.

**B. COURSE EFFECTIVE DATES:** 03/04/2013 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. Conceptual foundations of the tax law in the United States
2. Tax compliance, research, and responsibilities
3. Tax planning strategies
4. Individual income tax computation, including credits
5. Gross income (including business income), exclusions and deferrals
6. Individual and business deductions, accounting periods, and accounting methods
7. Taxation of investments
8. Property acquisition, cost recovery, and dispositions
9. Taxation of compensation and retirement savings
10. Tax consequences of home ownership
11. Oral and written graduate-level analysis of tax research and/or ethical issues

## **D. LEARNING OUTCOMES (General)**

1. Demonstrate how taxes impact business, investment, personal, and political decisions; describe a tax and the general objectives of taxes; explain Federal and State tax rate structures for different types of taxes; evaluate an alternate tax system.
2. Identify tax filing requirements; determine when statute of limitations expires for various scenarios; outline the IRS audit process and what happens after the audit; summarize the Federal tax legislative process; defend a position by performing tax research; identify taxpayer and tax professional responsibilities and how primary authorities impact those responsibilities.
3. Identify objectives of tax planning; appraise when appropriate to accelerate or defer income/gains or deductions/losses, factoring in time value of money when applicable; explain ways to take advantage of tax rate differentials by shifting income/gains or deductions/losses to related parties or to other tax jurisdictions; explain how a conversion strategy can change the character of a particular transaction; identify judicial doctrines that might prevent or limit a particular strategy; contrast tax avoidance and tax evasion.
4. Calculate taxable income, income tax, and income tax due (overpayment) for specific scenarios; determine who qualifies as a dependent and filing status of taxpayer.
5. Contrast realization and recognition; differentiate sources of income; justify why certain sources of income are excluded or deferred.
6. Contrast deductions  $\zeta$  for adjusted gross income $\zeta$  versus  $\zeta$  from adjusted gross income $\zeta$ ; determine the standard deduction and describe the different types of itemized deductions for individuals; calculate the qualified business income deduction.
7. Explain how interest income, dividend income, and capital gains are taxed; calculate the investment interest expense deduction and the net investment income tax; apply tax-basis, at-risk and passive activity loss limitations.
8. Determine taxpayer $\zeta$ 's regular tax and alternative minimum tax liabilities; calculate employment and self-employment taxes payable; compute child credit, child and dependent care credit, American opportunity tax credit, lifetime learning credit, and earned income tax credit; compute taxpayer $\zeta$ 's underpayment, late filing, and late payment penalties.
9. Identify common business deductions and related limits; identify special business deductions allowed for tax purposes; describe tax accounting periods; apply cash, accrual and hybrid methods to business income and expenses.
10. Determine cost recovery lives, methods, and conventions for personal property, real property, intangible assets, and natural resources; calculate cost recovery under special cost recovery rules (§179, bonus, and listed property).
11. Calculate gain (loss) recognized on disposition of trade or business assets and describe character; compute §1231 gain (loss), depreciation recapture, and unrecaptured §1250 gain; explain common exceptions to current recognition.
12. Explain tax consequences of salary/wage compensation, equity-based compensation, and taxable/non-taxable fringe benefits to employees and employers.
13. Describe tax and non-tax implications to both employees and employers of employer-provided defined benefit plans, defined contribution plans, and deferred compensation; contrast tax consequences of traditional and Roth individual retirement accounts; compute the retirement saver $\zeta$ 's credit.
14. Determine whether a dwelling unit is a principal residence, a residence (but not principal), or a non-residence; determine taxable gain on sale of principal residence; compute home mortgage interest and real property taxes deductions; compute tax consequences of rental or office use of home.

## **E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

## **F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

**G. SPECIAL INFORMATION**

None noted