

BUS 0222 - TAXATION FOR BUSINESSES AND SPECIALIZED RETURNS

Catalog Description

Formerly known as BUS 15

Prerequisite: Completion of BUS 220 or BUS 221 with grade of "C" or better

Advisory: Completion of BUS 201 with grade of "C" or better

Hours: 72 lecture

Description: Continuing study of income tax compliance with an emphasis on the taxation of business entities including corporations, partnerships, limited liability companies, S corporations, estates, and trusts. Topics include tax and non-tax characteristics of business entities, income tax filing requirements, business income/expenses/deductions/credits, differences in book and taxable income, selection of accounting methods and periods, and advising business taxpayers. (CSU)

Course Student Learning Outcomes

- CSLO #1: Prepare a corporation's federal income tax return (IRS Form 1120).
- CSLO #2: Analyze a company's financial records and determine how their accounting methods effect their tax liability.
- CSLO #3: Compare and contrast taxable business structures (sole proprietorship, partnership, corporation).

Effective Term

Fall 2020

Course Type

Credit - Degree-applicable

Contact Hours

72

Outside of Class Hours

144

Total Student Learning Hours

216

Course Objectives

1. List the decisions about accounting periods and methods that the various business entities must make.
2. Describe the income tax issues that are faced by various taxable and non-tax entities.
3. Identify the income tax issues in creating, operating, and terminating a corporation.
4. Prepare a corporation's federal income tax return.
5. Identify the income tax issues in creating, operating, and terminating a partnership and an S corporation.
6. Prepare partnership and S corporation income tax returns.

7. Describe the estate and trust income tax issues and prepare a trust tax return.
8. Identify business taxpayer obligations in relations to running a business.

General Education Information

- Approved College Associate Degree GE Applicability
- CSU GE Applicability (Recommended-requires CSU approval)
- Cal-GETC Applicability (Recommended - Requires External Approval)
- IGETC Applicability (Recommended-requires CSU/UC approval)

Articulation Information

- CSU Transferable

Methods of Evaluation

- Essay Examinations
 - Example: Explain how co-mingling of business and personal assets could happen and the penalties for business taxpayers who do this. Grading will use a standard rubric.
- Objective Examinations
 - Example: Which of the following depreciation methods would not be acceptable for a depreciation calculation on IRS form 4562? a. MARCS b. Straight line c. Declining balance d. all of the above are acceptable to use on form 4562 Grading will be based on completeness of answer.
- Problem Solving Examinations
 - Example: Given a business situation, advise on the correct selection of a business entity structure and explain the benefits and detriments of each option. Grading will use a standard rubric.
- Skill Demonstrations
 - Example: Prepare a 1120 tax form for a corporation. Grading will be based on completeness of the form.

Repeatable

No

Methods of Instruction

- Lecture/Discussion
- Distance Learning

Lecture:

1. Instructor will lecture on employer reporting requirements of employee income. Students will prepare a W-2, W-4, and 1099 form incorporating topics from the lecture. Instructor will grade using a standard rubric. (Objective 1I)
2. Instructor will lecture on Alternative Minimum Tax and Alternative Tax Net Operating Loss (ATNOL). Students will incorporate lecture and apply to a given case study provided by the instructor. Instructor will grade using a standard rubric. (Objective 3h) In-class Activity:
3. Given prior readings and lecture, students will prepare a 1120 tax form for a corporation. Instructor will grade using a standard rubric. (Objective 3a-h, 6a-e, and 7a-p)

Distance Learning

1. Research the requirements to become a 501(c)(3). Discuss the requirements and the advantages and disadvantages of becoming a non-profit organization on the discussion board. (Objective 1g)

Typical Out of Class Assignments

Reading Assignments

1. Read the assignment on business income and deductions. Be prepared to discuss the various tax implications on sole proprietorship, partnerships, and corporations. 2. Read about passive vs. active income and discuss the tax treatment for each.

Writing, Problem Solving or Performance

1. Prepare a corporation tax form 1120. 2. Prepare a document advising a client on the differences in accounting methods and procedures available for a sole proprietorship.

Other (Term projects, research papers, portfolios, etc.)

Required Materials

- Taxation of Business Entities
 - Author: Brian Spilker
 - Publisher: McGraw Hill
 - Publication Date: 2019
 - Text Edition: 10th
 - Classic Textbook?: No
 - OER Link:
 - OER:

Other materials and-or supplies required of students that contribute to the cost of the course.