

BUS 0221 - FEDERAL AND CALIFORNIA INDIVIDUAL TAXATION

Catalog Description

Formerly known as BUS 14

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

Hours: 72 lecture

Description: Study of the United States and California individual income tax system. Rights and responsibilities of taxpayers under the Internal Revenue Code. Introduction to filing status, exemptions, income exclusions and inclusions, capital gains/losses, itemized deductions, employee business expenses, sale of home, and tax planning. CTEC approved QE course. (CSU)

Course Student Learning Outcomes

- CSLO #1: Describe IRS tax codes and how they relate to individual tax returns.
- CSLO #2: Construct individual tax returns following IRS and California State tax codes.
- CSLO #3: Assess and relate ethics in the accurate reporting, application and interpretation of IRS code in relation to individual tax preparation.

Effective Term

Fall 2024

Course Type

Credit - Degree-applicable

Contact Hours

72

Outside of Class Hours

144

Total Student Learning Hours

216

Course Objectives

Through written or oral presentation, exams and problem-solving the student will:

1. Describe the constitutional origins, statutory requirements, and other legislative and administrative underpinnings of the income tax systems of the United States and California.
2. Compute the federal and state tax formula for individuals: gross income, adjusted gross income, taxable income, and income tax.
3. Describe what constitutes "substantial authority" with respect to a position taken on a tax return, and be able to locate substantial authority for such a position.
4. Identify where each item of income and deduction belongs on federal and state income tax returns for individuals.

5. Prepare basic, intermediate, and advanced federal and state individual income tax returns.
6. Conduct basic tax research using publicly-available research tools.
7. Describe the basics of income tax administration, including the audit process, reporting requirements, and taxpayer and preparer penalties, particularly California tax practitioner requirements.
8. Calculate state and federal taxes using applicable laws and standard forms.
9. Identify and calculate tax credits taxpayers are entitled to claim on their tax return.
10. Prepare written communication to IRS and/or clients analyzing tax issues and making appropriate recommendations.
11. Apply professional ethical behavior in accounting, taxation, and 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: Students will write an essay from the hypothetical scenario provided, describe the nature and amount of the exemptions allowable to the taxpayer.
- Objective Examinations
 - Example: Students will take a multiple-choice examination on gains. Sample question: A feature of ordinary gains as distinguished from capital gains: (a) Gains from sales of assets not stock in trade. (b) May or may not be taxable in full. (c) Sources are capital assets. (d) No holding period.
- Problem Solving Examinations
 - Example: Given a sample taxpayer case, determine the impact a real estate rental would have on the taxpayer's personal tax return.
- Skill Demonstrations
 - Example: Given a sample taxpayer's information, prepare tax form 1040.

Repeatable

No

Methods of Instruction

- Lecture/Discussion
- Distance Learning

Lecture:

1. Lecture and demonstrations by the instructor in conjunction with class discussions of tax problems and student presentations of tax concepts. The instructor will present lectures on tax concepts and principles. Students will work on tax problems individually and in small groups to apply the lecture concepts. Class discussions will be utilized to clarify concepts which students find challenging.

Distance Learning

1. Following an online lecture on how to calculate income and loss related to self-employment, students will be given a real estate rental scenario and be expected to calculate the amount of income or loss. Students will post their findings to the rest of the class and be expected to comment on a minimum of 3 other students posts.

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

Various downloadable IRS tax forms and schedules including Your Federal Income Tax--Publication 17

Typical Out of Class Assignments

Reading Assignments

1. Read chapter on Gross Income and Exclusions and be prepared to discuss retirement strategies that minimize tax liability. 2. Read chapter on Business Expenses and be prepared to discuss the tax advantages and disadvantages of self-employment.

Writing, Problem Solving or Performance

1. Analyze the tax situation for a hypothetical taxpayer described by the instructor and create a tax plan to minimize their tax liability. 2. Identify expenditures qualifying as a deduction or tax credit and perform calculations based on a hypothetical taxpayer's gross income, as adjusted.

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

Required Materials

- Income Tax Fundamentals
 - Author: Whittenburg, et al
 - Publisher: Thompson Publishing
 - Publication Date: 2018
 - Text Edition: 36th
 - Classic Textbook?:
 - OER Link:
 - OER:
- Fundamentals of Taxation
 - Author: Ana Cruz, et al
 - Publisher: McGraw Hill
 - Publication Date: 2018
 - Text Edition: 11th
 - Classic Textbook?:
 - OER Link:
 - OER:
- South-Western Federal Taxation 2019: Individual Income Taxes
 - Author: James Young, et al
 - Publisher: Cengage Publishing
 - Publication Date: 2019
 - Text Edition: 42nd
 - Classic Textbook?:
 - OER Link:
 - OER: