



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Bachelor of Technology

Option: Accounting

## Course Outline

**FMGT 7350**

**US Federal Taxation**

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**Start Date:** September, 2002

**End Date:** December, 2002

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**Course Credits:**

**Term/Level:**

**Total Hours:** 45

**Total Weeks:** 15

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**Hours/Week:** 3      **Lecture:** 1      **Lab:** .5 Quiz      **Shop:**      **Seminar:** 1.5      **Other:**

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### Prerequisites

### FMGT 7350 is a Prerequisite for:

| Course No. | Course Name                       |
|------------|-----------------------------------|
| FMGT 4110  | Intermediate Financial Accounting |

| Course No. | Course Name |
|------------|-------------|
| None.      |             |

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### Course Calendar Description

This foundation course provides a rigorous introduction to the Federal Tax Code of the United States. It is a comprehensive examination of the fundamental requirements of personal, corporate and partnership taxation.

There is minimal discussion of tax planning and no comparative analysis to Canadian taxation. Guest practitioners will be invited to share current trends and issues.

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### Course Goals

Upon successful completion of this course, the student will be able to:

1. possess a good understanding of the US Federal tax structure
2. be conversant with determination and filing requirements of personal, corporate and partnership tax
3. understand basic tax planning alternatives within the topics discussed,
4. discuss comparative Canadian tax provisions in key areas

## Evaluation

|                      |                |   |
|----------------------|----------------|---|
| Final Examination    | 50% (3.5 hrs.) | Quizzes have the objective of evaluating ongoing core knowledge and will be administered weekly.<br>Examinations will topic integrative and comprehensive in their scope. |
| Mid-term Examination | 30% (2.5 hrs.) |   |
| Quizzes              | 20%            |   |
| <b>TOTAL</b>         | <b>100%</b>    |   |

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## Course Learning Outcomes/Competencies

Upon successful completion of this course, the student will be able to:

1. understand the framework for tax determination; the major types of taxes, the tax administration process, social policy issues and legal influence,

### Personal Taxation

2. determine personal and dependency exemptions, overview of property transactions,
3. define and determine gross income; concepts and inclusions, exclusions,
4. define and determine deductions and losses; general and certain business expenses and losses, employee expenses, itemized deductions,
5. identify, determine and apply passive activity losses,
6. identify, determine and apply property transactions; gain or loss, basis of consideration, non-taxable exchanges, capital gains and losses, Section 1231 and recapture provisions,
7. understand, determine and apply the Alternative Minimum Tax (AMT),
8. understand the implications of accounting periods and range of accounting permissible accounting methods,

### Corporate Taxation

9. conversant with operating rules and related corporations,
10. conversant with organization and capital structure,
11. overview of estates and trusts, limited liability companies
12. define capital accumulations and identify tax implications

### Other Entities

13. define and identify the tax implications associated with partnerships, S Corporations, Exempt Entities, entity selection which provides the most favourable tax consequence
14. understand the functioning of the IRS, administrative rulings and process of audits



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Dedicated course web-site:

**FMGT 7350**  
**US Federal Taxation**

| Week   | Lecture  | Chapter(s) | Assignments | Remarks |
|--|--|------------|-------------|---------|
| *This schedule is subject to change at the discretion of the instructor. The Suggested Weekly Problems will be posted weekly |  |            |             |         |
| 1  | <ul style="list-style-type: none"> <li>Introduction to Taxation and Understanding of Federal tax Law</li> <li>Tax Determination; Personal and Dependency Exemptions</li> </ul>   | 1 & 2      | TBA         |         |
| 2  | <ul style="list-style-type: none"> <li>Gross Income: Concepts and Inclusions, Exclusions</li> </ul>  | 3 & 4      | TBA         |         |
| 3  | <ul style="list-style-type: none"> <li>Deductions and Losses: General, Certain Business Expenses and Losses</li> </ul>   | 5 & 6      | TBA         |         |
| 4  | <ul style="list-style-type: none"> <li>Depreciation, Cost Recovery, Amortization, and Depletion</li> <li>Deductions: Employee expenses</li> </ul>  | 7 & 8      | TBA         |         |
| 5  | <ul style="list-style-type: none"> <li>Deductions &amp; Losses: Certain Itemized Deductions</li> <li>Passive Activity Losses</li> </ul>  | 9 & 10     | TBA         |         |
| 6  | <ul style="list-style-type: none"> <li>Tax Credits</li> <li>Review</li> </ul>  | 11         | TBA         |         |
| 7  | <b>Mid-term Exam (Chapters 1-10)</b>   |            |             |         |
| 8  | <ul style="list-style-type: none"> <li>Property Transactions: Determination of Gain or Loss, Basis Considerations, and Nontaxable Exchanges, Capital Gains &amp; Losses, Section 1231, and Recapture Provisions</li> </ul> | 12 & 13    | TBA         |         |
| 9  | <ul style="list-style-type: none"> <li>Alternative Minimum Tax (AMT)</li> <li>Accounting Periods &amp; Methods</li> </ul>  | 14 & 15    | TBA         |         |
| 10   | <ul style="list-style-type: none"> <li>Corporations: Introduction, Operating Rules, Related Corporations, Organization &amp; Capital Structure; Limited Liability Company</li> </ul>                                       | 16 & 17    | TBA         |         |
| 11   | <ul style="list-style-type: none"> <li>Corporate Accumulations</li> <li>Partnerships; LLP</li> </ul>   | 20 & 21    | TBA         |         |
| 12   | <ul style="list-style-type: none"> <li>S Corporations</li> <li>Exempt Entities</li> </ul>  | 22 & 23    | TBA         |         |
| 13   | <ul style="list-style-type: none"> <li>Income Taxation of Trusts and Estates</li> <li>Tax Administration, Practice, Filings</li> </ul>   | 25 & 27    | TBA         |         |
| 14   | <ul style="list-style-type: none"> <li>Entity Selection Seminar (guest speaker)</li> <li>Cross-boarder Issues Seminar (guest speaker)</li> </ul>   |            |             |         |
| 15   | <b>Final Examination (Chapters 11-25)</b>  |            |             |         |