

ACTG 68B: ADVANCED TAX ACCOUNTING II

Foothill College Course Outline of Record

Heading	Value
Effective Term:	Summer 2022
Units:	5
Hours:	5 lecture per week (60 total per quarter)
Prerequisite:	ACTG 67.
Advisory:	Elementary Algebra or equivalent; demonstrated proficiency in English by placement via multiple measures OR through an equivalent placement process OR completion of ESLL 125 & ESLL 249.
Degree & Credit Status:	Degree-Applicable Credit Course
Foothill GE:	Non-GE
Transferable:	CSU
Grade Type:	Letter Grade (Request for Pass/No Pass)
Repeatability:	Not Repeatable

Student Learning Outcomes

- Identify basics of Federal income tax law as it relates to Corporations and Fiduciaries.
- Demonstrate practical knowledge of income tax form preparation and tax compliance process as these relate to corporations and fiduciaries.

Description

Current federal income tax law as it relates to corporations, estate, trust, and gift taxes.

Course Objectives

The student will be able to:

- Achieve passing Special Enrollment Examination score of 70% while demonstrating a solid understanding of fundamentals of federal income tax law as it relates to corporations and fiduciaries.
- Demonstrate practical knowledge of income tax form preparation and income tax compliance process as these relate to corporations and fiduciaries (estate and trust).

Course Content

- Corporations in general
 - Filing requirements and due dates
 - Earnings and profits
 - Shareholder dividends, distributions, and recognition requirements
 - Special deductions and credits (e.g., dividends received deductions, charitable deduction)
 - Liquidations and stock redemptions

- Accumulated earnings
 - Estimated tax payments
- Forming a corporation
 - Services rendered to a corporation in return for stock
 - IRC Section 351 exchange
 - Transfer and/or receipt of money or property in addition to corporate stock
 - Mortgaged property transferred
 - Controlled groups
 - Closely held corporations
 - Personal service corporations (e.g., 35% rate)
- Corporations: operating rules and compliance
 - Charitable contributions
 - Inventories
 - The net operating loss
 - Specially taxed corporations
 - Capital charges
 - Forms: 3800 (General Business Credit), 6765 (Credit for Increasing Research Activities)
 - Form 1120 U.S. Corporation Income Tax Return, book/tax differences, Schedule M-1 and M-3
 - S corporations
 - Requirements to qualify
 - S corporation income, expenses and separately stated items
 - Treatment of distributions (e.g., reasonable compensation)
 - Shareholder's basis (e.g., loan basis, distributions and losses in excess of basis)
 - Revocation, termination and reinstatement
 - Debt discharge
 - Non-cash distributions
 - Election procedure
 - Form 1120-S U.S. Income Tax Return of an S Corporation, Schedule K and Schedule K-1
 - Trust and estate income tax
 - Trust types (e.g., grantor, irrevocable, tax shelters)
 - Distributable net income and accounting income
 - Exclusions and deductions
 - Fraudulent trusts
 - Income in respect of a decedent
 - Income (e.g., allocations)
 - Separately stated items
 - Filing requirements
 - Form 1041 U.S. Income Tax Return for Estates and Trusts, Schedule K-1 Beneficiary's Share of Income, Deductions, Credits, etc.

Lab Content

Not applicable.

Special Facilities and/or Equipment

- Access to spreadsheet, word-processing, presentation software.
- When taught as an online distance learning section, students and faculty need ongoing and continuous internet (Java-enabled) and email access.

Method(s) of Evaluation

Methods of Evaluation may include but are not limited to the following:

Examinations
Quizzes
Projects
Tax return preparation

Method(s) of Instruction

Methods of Instruction may include but are not limited to the following:

Lecture
In-class or electronic discussions
Group work
Case studies

Representative Text(s) and Other Materials

Maloney, David M., William A. Raabe, William H. Hoffman, Jr., and James C. Young. South-Western Federal Taxation 2021: CANVAS Integrated Access - DDA - for South-West Federal Taxation Comprehensive Volume, 43rd ed.. 2021.

Types and/or Examples of Required Reading, Writing, and Outside of Class Assignments

- a. Read form instructions and assigned tax code sections and/or tax regulations to prepare the following tax forms using the information provided:
 - i. Form 1120 Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return
 - ii. Form 1120 U.S. Corporation Income Tax Return
 - iii. Form 1120S U.S. Income Tax Return for an S Corporation
 - iv. Form 1041 U.S. Income Tax Return for Estates and Trusts

Discipline(s)

Accounting