

ACTG 68B: ADVANCED TAX ACCOUNTING II

Foothill College Course Outline of Record

Heading	Value
Effective Term:	Summer 2025
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

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

Description

Current Federal income tax law as it relates to C corporations; taxes in the financial statements, ASC 740.

Course Objectives

The student will be able to:

1. Demonstrate an understanding of fundamentals of Federal income tax law as it relates to C corporations.
2. Demonstrate practical knowledge of income tax form preparation and income tax compliance process as these relate to C corporations.
3. Understand fundamentals of ASC 740 codifications and required presentations of taxes in the financial statements.

Course Content

1. Corporations: organization, capital structure, and operating rules
 - a. Introduction to major tax and nontax considerations associated with the corporate form of business
 - b. Tax consequences of incorporating and transferring assets to controlled corporations
 - c. Adjusted basis of shareholder stock and corporate contributed assets
 - d. Special rules that apply when a corporation assumes shareholder liabilities
- e. Tax aspects of the capital structure of a corporation
- f. The tax differences between debt and equity investments
- g. Application the tax rules unique to computing corporate taxable income
- h. Compute the corporate income tax; Form 1120, M-1, M-3, Sch. L
 - i. Reporting process for corporations
2. Corporations: earnings and profits and distributions
 - a. The role that earnings and profits play in determining the tax treatment of distributions
 - b. Computation of corporation's earnings and profits (E & P)
 - c. Rules for assigning earnings and profits to distributions
 - d. Tax effects of noncash dividends on the recipient shareholder and the corporation making the distribution
 - e. Nature and treatment of constructive dividends
 - f. Taxable and nontaxable stock dividends
 - g. Tax treatment of stock redemptions and corporate liquidations
3. Taxes in the financial statements
 - a. Common book-tax differences; Schedule M-1 & M-3
 - b. Basic principles of Accounting Standards Codification (ASC) 740
 - c. Current tax expense
 - d. Deferred tax expense
 - e. Purpose of the valuation allowance, when it is used, and its impact on tax expense
 - f. Tax-related information disclosed in the financial statement footnotes
 - g. GAAP standards as they relate to tax uncertainties and tax law changes
 - h. Financial statement income tax information as a benchmark of a company's tax position
 - i. Case study: income tax provision model
4. Multijurisdictional taxation
 - a. Computational and compliance issues that arise when a taxpayer operates in more than one taxing jurisdiction
 - b. Sources of tax law applicable to a taxpayer operating in more than one country
 - c. Introduction to the U.S. tax effects related to the offshore operations of a U.S. taxpayer
 - d. The tax effects related to the U.S. operations of a non-U.S. taxpayer
 - e. Introduction to the sources of tax law applicable to a taxpayer operating in more than one U.S. state
 - f. Principles designed to compute state taxable income for a taxpayer operating in more than one U.S. state
 - g. Introduction to the key aspects of international and multistate tax systems to identify common rules and issues taxpayers face in both systems
5. Business tax credits and new Corporate Alternative Minimum Tax (CAMT)
 - a. Use of credits and deductions to achieve social and economic objectives
 - b. Introduction to and calculation of various business-related tax credits
 - c. The Inflation Reduction Act of 2022 (the Act) includes a 15% Corporate Alternative Minimum Tax (CAMT) based on book income

Lab Content

Not applicable.

Special Facilities and/or Equipment

1. Access to spreadsheet, word-processing, presentation software.
2. 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

Nellen, Cuccia, Persellin, and Young. [South-Western Federal Taxation 2023: Essentials of Taxation: Individuals and Business Entities via CengageNOW digital learning platform with ProConnect Tax and Thomson Reuters Checkpoint Access.](#) 2023.

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

1. Reading IRS tax publications and form instructions at <http://www.irs.gov>
2. Publications and form instructions at <http://www.ftb.ca.gov>
3. Reading the latest Federal tax updates at the IRS website
4. Reading the latest California tax updates at the CA FTB website
5. Reading Internal Revenue Tax Code and Regulations
6. Reading of [Wall Street Journal](#), [Business Week](#), and [Fortune](#)

Discipline(s)

Accounting