

ACTG 68B: ADVANCED TAX ACCOUNTING II

Foothill College Course Outline of Record

Heading	Value
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

- Examinations
- Quizzes
- Projects
- Tax return preparation

Method(s) of Instruction

Lecture, in class or electronic discussions, group work, case studies.

Representative Text(s) and Other Materials

Hoffman, William, David Maloney, William Raabe, and James Young. South-Western Federal Taxation 2016: Comprehensive Volume with H&R Block At Home tax software and Thomson Reuters Checkpoint Access. Cengage Learning, 2016.

Gleim, Irvin, and James Hasselback. GLEIM EA Review Part 2 Businesses 2016. Gleim Publications, Inc., 2016.

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

A. Reading IRS Tax Publications and Form Instructions at <http://www.irs.gov>

B. Reading California Publications and Form Instructions at <http://www.ftb.ca.gov>

C. Reading the latest Federal Tax updates at the IRS website

D. Reading the latest California Tax updates at the CA FTB website

E. Reading Internal Revenue Tax Code and Regulations

F. Reading of Wall Street Journal, Business Week, and Fortune

Discipline(s)

Accounting