

ACC 129
INDIVIDUAL INCOME TAXES

COURSE DESCRIPTION:

Prerequisites: None

Corequisites: None

This course introduces the relevant laws governing individual income taxation. Emphasis is on filing status, exemptions for dependents, gross income, adjustments, deductions, and computation of tax. Upon completion, students should be able to complete various tax forms pertaining to the topics covered in the course. As part of the course, students may also prepare tax returns using computer software. Course Hours Per Week: Class, 2. Lab, 2. Semester Hours Credit, 3

COURSE OBJECTIVES:

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

- a. Research tax issues using available means
- b. Prepare individual federal and state tax returns.
 - i. Understand the processes involved in determining the amount of tax to be paid
 - ii. Determine items to be included in or excluded from gross income
 - iii. Identify relevant deductions and credits
 - iv. Understand the ramifications of property transactions
- c. Understand professional responsibility as it relates to tax engagements

OUTLINE OF INSTRUCTION:

- I. The individual income tax return
 - A. History and objectives of the tax system
 - B. Reporting and taxable entities
 - C. The tax formula for individuals
 - D. Who must file and where to file
 - E. Filing status and tax computation
 - F. Personal and dependency exemptions
 - G. The standard deduction
 - H. Limitation on total itemized deductions
 - I. Gains and losses
 - J. Tax and the Internet
- II. Gross income and exclusions
 - A. The nature of gross income
 - B. Interest and dividend income
 - C. Alimony

- D. Prizes and awards
 - E. Annuities
 - F. Life insurance
 - G. Gifts and inheritances
 - H. Scholarships
 - I. Accident and health insurance
 - J. Meals and lodging
 - K. Municipal bond interest
 - L. Social Security benefits
 - M. Unemployment compensation
 - N. Employee fringe benefits
- III. Business expenses and retirement plans
- A. Rental income and expenses (Schedule E)
 - B. Passive loss limitations
 - C. Bad debts
 - D. Inventories
 - E. Net operating losses
 - F. Individual retirement accounts
 - G. Keogh (H.R. 10) plans
 - H. Qualified retirement plans including section 401 (k) plans
 - I. Rollovers
 - J. SIMPLE plans
- IV. Self-employed and employee expenses
- A. Classification of deductions
 - B. Travel expenses
 - C. Transportation
 - D. Office in the home
 - E. Entertainment
 - F. Educational expenses
 - G. Dues, subscriptions, and publications
 - H. Special clothing and uniforms
 - I. Business gifts
 - J. Schedule C
- V. Itemized and certain other deductions
- A. Medical expenses
 - B. Taxes
 - C. Interest
 - D. Contributions
 - E. Casualty and theft losses
 - F. Miscellaneous deductions
 - G. Moving expenses
 - H. Hobby losses

- VI. Credits and special taxes
 - A. Tax credit of the elderly and disabled
 - B. Child tax credit
 - C. Earned income credit
 - D. Child and dependent care credit
 - E. Education tax credits
 - F. Foreign tax credits
 - G. Work credits
 - H. Disabled access credit
 - I. Adoption expenses
 - J. The individual alternative minimum tax
 - K. Unearned income of minor children
 - L. Community Property

REQUIRED TEXTBOOK AND MATERIALS:

Whittenburg, Gerald E., and Martha Althus-Buller, Income Tax Fundamentals 2004 Edition. South-Western/Thompson Learning, 2004.

STATEMENT FOR STUDENTS WITH DISABILITIES:

Students who require academic accommodations due to any physical, psychological, or learning disability are encouraged to request assistance from a disability services counselor within the first two weeks of class. Likewise, students who potentially require emergency medical attention due to any chronic health condition are encouraged to disclose this information to a disability services counselor within the first two weeks of class. Counselors can be contacted by calling 686-3652 or by visiting the Student Development Office in the Phail Wynn Jr. Student Services Center, room 1309.