

# Minnesota State University Moorhead

## ACCT 441: Tax Accounting I

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: 0

OJT Hours/Week: \*.\*

Prerequisites:

This course requires the following prerequisite

ACCT 231 - Principles of Accounting II

Corequisites: None

MnTC Goals: None

Outline of federal tax system. Introduction to concepts of gross income, exclusions, deductions, alternative minimum tax, tax credits, tax payment procedures, property transactions, accounting periods, accounting methods, deferred compensation, corporations and partnerships.

**B. COURSE EFFECTIVE DATES:** 03/04/2013 - Present

**C. OUTLINE OF MAJOR CONTENT AREAS**

#### **D. LEARNING OUTCOMES (General)**

1. Explain the federal income tax system and interpret the responsibilities of taxpayers and tax professionals.
2. Summarize primary and secondary sources of tax law, defend position taken by performing tax research. Contrast tax planning from tax avoidance.
3. Compare general accounting, income, deduction, and credit concepts in the federal tax system to those in financial accounting.
4. Justify why sources of income are included, or excluded from federal gross income. Appraise when it makes sense to defer income. Explain ways to take advantage of tax rate differentials by shifting income to relatives.
5. Contrast deductions for adjusted gross income or from adjusted gross income, as trade or business or production of income expenses, and as business or non-business losses, or personal and compare their deductibility. Contrast losses as business, capital, or personal, and compare their deductibility. Explain itemized deductions.
6. Evaluate impact, including time value of money considerations, of making different tax elections or choosing different methods of depreciation, cost recovery, amortization, and depletion.
7. Summarize how certain investor loss limitations affect investment opportunities. Defend a tax plan to avoid passive loss limitations.
8. Describe situations when alternative minimum tax will become a factor. Explain techniques to avoid or control the time of preferences and adjustments.
9. Differentiate between refundable and non-refundable credits. Describe specific tax credit calculations.
10. Describe payment procedures for employers and self-employed persons. Critique strategies over-payments or under-payments.
11. Explain cost basis, basis of property acquired by gift, and basis of property acquired from a decedent. Summarize rules for disallowed losses and conversion of property from personal to business or production of income. Create tax planning for like-kind exchanges, involuntary conversions, or sale of principal residence. Describe general scheme of capital gain and loss taxation, including the netting process. Justify a plan to postpone, shift or avoid recapture.
12. Describe the general rules for accounting periods. Contrast cash, accrual and hybrid methods of accounting. Defend a decision to elect out of the installment method.
13. Compare and contrast qualified pension, profit sharing, and stock bonus plans. Describe the retirement plans available to self-employed individuals. Summarize the rules for individual retirement accounts and stock options.
14. Compare and contrast the different types of business entities from a federal income tax perspective. Describe the impact of making an S corporation election. Explain how an entity can be used to reduce income taxes for a family.

#### **E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

#### **F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

#### **G. SPECIAL INFORMATION**

None noted