

ACCT G113: BUSINESS TAXATION

Item	Value
Curriculum Committee Approval Date	04/04/2023
Top Code	050210 - Tax Studies
Units	3 Total Units
Hours	54 Total Hours (Lecture Hours 54)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Open Entry/Open Exit	No
Grading Policy	Standard Letter (S), • Pass/No Pass (B)

Course Description

Formerly: Business Income Taxation. This course covers income tax laws and regulations as they relate to business entities, with practice on preparation of tax returns and forms. Topics include taxation of corporations, S corporations (small business corporations as defined under Subchapter S of the Internal Revenue Code), partnerships, and limited liability companies, with a comparison of tax implications amongst all forms of business formation. Multi-jurisdictional taxation issues, state and local taxes, as well as special business taxes and credits are included. ADVISORY: ACCT G111. Transfer Credit: CSU.

Course Level Student Learning Outcome(s)

1. Course Outcomes
2. Calculate net profit or loss for a business as it appears on Schedule C or IRS Form 1040 - Profit or Loss From Business.
3. Calculate partner's share of income from a partnership as reported on Schedule K-1 of IRS Form 1065.
4. Prepare Form 1120-S, Income Tax Return for an S corporation.
5. Calculate taxable income for a limited liability company (LLC).
6. Calculate whether a business entity has alternative minimum tax (AMT) and if so, the amount of AMT.

Course Objectives

- 1. Compare and contrast the tax structure of different types of business formations such as partnerships, S corporations, and other flow-through entities.
- 2. Determine income tax liability for partnerships and explain tax implications of various partnership transactions.
- 3. Outline the criteria for election as an S corporation and compute taxable income and tax liability for S corps.
- 4. Analyze the tax implications for limited liability companies.
- 5. Describe alternative minimum tax, multi-national transactions, state and local taxes, business tax credits, and other topics in taxation as they relate to different business entities.

Lecture Content

Partnerships Formation Federal tax consequences Loss limitations Transactions between partner and partnership Guaranteed payments Partners as employees Limited liability companies (LLCs) Taxation of LLCs Advantages and disadvantages of the LLC entity S corporations Qualifying for S corporation status Making the election Computation of taxable income Allocation of income and loss Shareholder's basis in S stock Treatment of losses Entity level taxes Special business topics Multi-jurisdictional taxation issues U.S. taxation of multi-national transactions State and local income taxation in the United States Tax challenges Business tax credits General business credit Work opportunity tax credit Research activities credit Energy credits Disabled access credit Credit for small employer pension plan startup costs Credit for employer provided child care Corporate alternative minimum tax (AMT) Corporate AMT formula AMT adjustments Tax preferences Adjusted current earnings (ACE) AMT net operating loss (NOL) deduction Comparative forms of business formation Forms of doing business Non-tax factors that affect the choice of business formation Single versus double taxation Minimizing double taxation Conduit versus entity treatment Disposition of a business or ownership interest Conversion to other entity types

Method(s) of Instruction

- Lecture (02)
- DE Live Online Lecture (02S)
- DE Online Lecture (02X)

Reading Assignments

Homework problems from publisher courseware Preparation of tax forms and returns

Writing Assignments

Tax returns and forms Discussion board assignments

Out-of-class Assignments

Textbook readings Tax periodicals and journals Homework problems assigned in courseware Usage of tax software such as ProSystems, CCH, or TurboTax

Demonstration of Critical Thinking

Tax computations, calculations, and preparation of tax returns and forms for business entities: corporations, partnerships, S corporations, and limited liability companies. Analysis of pertinent business tax issues and engagement of appropriate tax planning for businesses.

Required Writing, Problem Solving, Skills Demonstration

Step-by-step computations of tax calculations, preparation of tax returns and tax forms, and reconciliations of tax ledger to financial records.

Eligible Disciplines

Accounting: Master's degree in accountancy or business administration with accounting concentration OR bachelor's degree in business with accounting emphasis or business administration with accounting emphasis or economics with an accounting emphasis AND master's degree in business, business administration, business education, economics, taxation, or finance OR the equivalent. Master's degree required. (NOTE: A bachelor's degree in accountancy or business administration with accounting concentration, with a CPA license is an alternative qualification for this discipline)

Textbooks Resources

1. Required William H. Hoffman; William A. Raabe; David M. Maloney; James C. Young. South-Western Federal Taxation: Corporations, Partnerships, Estates and Trusts, annual ed. Cengage, 2022 2. Required Spilker. Taxation of Business Entities, annual ed. McGraw Hill, 2022