



## BUSI 2005R – Income Tax Fundamentals Winter 2017

### COURSE OUTLINE

<i>Instructor</i>	Emily Gray, CPA, CA
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<i>Office Hours</i>	Wednesdays 4:30-5:30pm Thursdays 4:30pm-5:30pm And by appointment (in person, skype or phone)
<i>Class Time and Location</i>	N/A - OnLine

#### **Course Description**

A foundation course that aims to introduce the fundamental concepts of income tax laws and regulations as significant elements in the planning and decision making process of taxpayers and managers. Problems, issues and planning associated with the Income Tax Act are discussed.

#### **Course Objectives**

Accountants cannot make intelligent business decisions without first considering the tax implications of the choices. An understanding of Canadian taxation is therefore necessary in order to make those decisions.

This course is an introduction to tax principles and practice and is designed to achieve the following objectives:

- 1) To explain the theoretical concepts behind the specific provisions of the law,
- 2) To apply the law in practical problems and case settings,
- 3) To interpret the law, taking into account the specific wording of the provisions, judicial decisions and the Canada Revenue Agency's (CRA) position, and
- 4) To introduce basic tax planning concepts through case application

This course introduces fundamental principles, personal and corporate income tax, and specialized topics (e.g. GST/HST).

**Prerequisites**

BUSI 1001 or 1004 (with a grade of C- or higher)

*Precludes additional credit for:*

BUSI 3005 – Taxation I and BUSI 4005 – Taxation II

**Course Materials (Required)**

-Textbook (available as an e-text or as a hardcopy at **Haven Books – 43 Seneca St., corner of Seneca and Sunnyside**)

Canadian Tax Principles, 2016-2017 edition, Byrd & Chen, 2016

Note: If you are taking this course by distance and want a hard copy of the textbook, you will need to have Haven Books send you a copy of the book; you can contact them at [info@havenbooks.ca](mailto:info@havenbooks.ca).

-Course website on cuLearn: <http://www.carleton.ca/culearn>

- Slides and problems that accompany videos
- Course video lectures
- Participation activities (quizzes)
- Assignments
- Additional material

-Websites:

Canada Revenue Agency

[www.cra.gc.ca](http://www.cra.gc.ca)

Income Tax Act on the Department of Justice Canada website:

<http://laws-lois.justice.gc.ca/eng/acts/l-3.3/page-1.html>

**Grading Scheme**

Participation	10%
Assignments (6)	40%
Final Exam – 3 hours (during formal final exam period)	<u>50%</u>
	<u>100%</u>

**Participation**

The participation grade is based on your mark on the 12 self-assessment quizzes on cuLearn by their respective due dates. Each quiz can be taken 3 times before the due date to allow you to improve your mark (highest mark taken in the calculation of your final grade), and solutions will be released once the deadline for completion has passed. Your mark will be based on your best 9 of the 12 quizzes.

### Assignments

The assignments will be due via cuLearn by midnight on the following dates:

Assignment #	Chapter Coverage	Due Date
1	1, 2	Jan 29
2	3	Feb 5
3	5, 6	Feb 17
4	7, 8	Mar 12
5	9, 10, 4, 11	Mar 26
6	12, 13	Apr 7

### Final Exam

The final exam will test both the technical and conceptual aspects of the course. Only non-programmable calculators (without alpha storage capabilities) will be permitted. Translation dictionaries are allowed as long as they are in print format and do not contain any handwritten notes. Electronic translation dictionaries are not allowed. All assigned readings from the textbook/cuLearn and material presented in the video lectures are examinable.

The final examination will be held in the regular examination period (April 10-25). The duration of the exam will be 3 hours. The final examination will cover the whole course. **You need to obtain a minimum of 45% on the final exam to pass this course.** A Tax Appendix, with various information, will be provided by the instructor as part of the final exam (you will see this appendix, and what it contains, prior to the examination).

### Marking

The assignments and exam will be marked by the teaching assistants and the instructors together and follow a rigorous quality control process that reasonably assures that the grade awarded is fair. However, no system is 100% error-free, so it is possible that you may wish to call into question a grade that has been awarded. In this circumstance, please email the instructor describing the difficulty with the awarded grade. Please be sure to email from your Carleton email account and identify your student number in the email to enable me to properly identify you.

### Failure with No Deferral (FND)

#### **Satisfactory In-Term Performance**

1. The requirement for satisfactory in-term performance is set at 50% of all, not each, pre-final exam term work (participation, assignments).
2. Unsatisfactory in-term work in this course will lead to failure in this course regardless of performance on the final exam:  
Yes                      **No X**
3. Unsatisfactory in-term work in this course will lead to an FND grade in this course in the case of a missed final exam:  
**Yes X**                      No

### Stay on Top of the Work

Work Expected Each Week	Estimated Time (Minutes)	
Review learning objectives for chapter	10	
Watch lecture videos, taking good quality notes as you go ( <i>handwritten notes are recommended, for better retention of material</i> )	180	
Read additional material posted on cuLearn (if applicable)	20	
Read textbook chapter(s) of weekly coverage ( <i>note - not all topics in all chapters in the textbook are covered in this course. Topics have been selected for coverage based on the entry level requirements for the CPA competency map. Readings should focus on topics covered in the video lectures.</i> )	90	
Participate in weekly participation activity - quiz	30	
Note down any questions you have and post to discussion forum on cuLearn	10	
Work through review/exercise problems from Chapter	100	
Work on assignment	100	
	<b>~540</b>	minutes/week
	<b>~9</b>	hours/week

### How to do Well in this Course

This course covers A LOT of material. Keeping up with the weekly lectures online and completing the assignments is certainly important, but making sure to prepare many practice problems on your own, using the exercises in your textbook and problems on the companion site is critical if you want to do well in this course. Post questions in the cuLearn discussion forums and/or email the instructor if you don't understand something.

WEEK	COVERAGE	PARTICIPATION ACTIVITY
Jan 7-13	Introduction to Course (including Course Outline & Learning Outcomes)	5 Quiz - Course Outline (DUE January 13th)
	Chapter 1 - Introduction to Federal Taxation in Canada (focus on income tax) - Why do we tax - Who do we tax ("persons" defined, basic residency concepts) - What do we tax (types of income, and the overall tax structure) - How do we tax (the Canadian parliamentary process and the structure of the ITA)	
Jan 14-27	Chapter 2 - Procedures and Administration - When do we tax (deadlines for filing/payments) - Interest and penalties, failures and omissions - Notice of Assessment/Reassessment and Objections/Appeals	
	Chapter 3 - Income or Loss from an Office or Employment - Employee vs. self-employed vs. personal service business - Employment income inclusions & calculations thereof - Employment deductions allowed	Quiz - Fringe Benefits (DUE January 27th)
Jan 28 - Feb 10	Chapter 5 - Capital Cost Allowances and Cumulative Eligible Capital - Basic CCA/CECA and UCC/ECE balance calculation (half year rule (acquisitions/dispositions), declining balance and straight line (for specific classes)) - Major CCA classes - Special topics	2 Quizzes - CCA and Recapture/Terminal Loss (BOTH DUE February 3rd)
	Chapter 6 - Income or Loss from a Business - Legal structures for business (sole proprietorship, partnership, types of corporations, joint ventures) - Business income vs. property income vs. capital gains - Business income inclusions/deductions (in comparison to financial reporting)	Quiz - Business Income (DUE February 10th)
WEEK	COVERAGE	PARTICIPATION ACTIVITY
Feb 11-17	Chapter 7 - Income from Property - Inclusion of income from interest, royalty, rental, dividends - The dividend gross up/tax credit system & why (integration) - Deductions against property income	Quiz - Property Income (DUE February 17th)
READING WEEK		
Feb 25-Mar 3	Chapter 8 - Capital Gains and Losses - Basic calculation, and ACB/POD inclusions - Special topics, including PUP/LPP, principal residence, reserves, ABIL, small business investments, etc.	Quiz - Capital Gains/Losses (DUE March 3rd)
Mar 4 - Mar 17	Chapter 9 - Other Income, Other Deductions and Other Issues - Identification of related parties, non-arm's length transactions, income splitting, attribution rules and kiddie tax - Other income inclusions - Other deductions	Quiz - Are We Related? (DUE March 10th)
	Chapter 10 - Retirement Savings and Other Special Income Arrangements - Deferred income plans	

	Chapter 4 (and 11) - Taxable Income and Taxes Payable for Individuals (et al) - Division C deductions - Non-refundable tax credits - Refundable tax credits - Alternative minimum tax	Quiz - What Credits Can I Claim? (DUE March 17th)
<b>Mar 18-24</b>	Chapter 12 - Taxable Income and Tax Payable for Corporations - Division C deductions - Basic rate and reductions (general, small business, M&P, etc.)	Quiz - Corporate Tax Payable (DUE March 24th)
<b>WEEK</b>	<b>COVERAGE</b>	<b>PARTICIPATION ACTIVITY</b>
<b>Mar 25-31</b>	Chapter 13 - Taxation of Corporate Investment Income - RDTOH, refundable Part 1 and Part IV - integration revisited	Quiz - Taxation of Corporate Investment Income (DUE March 31)
<b>April 1-7</b>	Chapter 15 - Corporate Taxation and Management Decisions - Incorporation - Salary vs. Dividend	Quiz - Other Topics (DUE April 7th)
	Chapter 19 - Estate Planning - Transfers to spouse/children	
	Chapter 21 - Input Tax Credits - Liability and registration - Collection, ITC's and remittances - Quick method for small businesses	

### Course Schedule (Approximately)

## ADDITIONAL INFORMATION

### Course Sharing Websites

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

### Required calculator in BUSI course examinations

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

### Group work

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59
A = 85-89	B = 73-76	C = 63-66	D = 53-56
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52
F = Below 50			

WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred (See above)

FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

### Academic Regulations, Accommodations, Etc.

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

### Requests for Academic Accommodations

*For Students with Disabilities:*

The Paul Menton Centre for Students with Disabilities (PMC) provides services to

students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your ***Letter of Accommodation*** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). **Requests made within two weeks will be reviewed on a case-by-case basis.** After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website ([www.carleton.ca/pmc](http://www.carleton.ca/pmc)) for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

#### *For Religious Obligations:*

Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students and instructors can confirm accommodation eligibility of a religious event or practice by referring to the Equity Services website (<http://carleton.ca/equity/accommodation/religious-observances/>) for a list of holy days and Carleton's Academic Accommodation policies. If there are any questions on the part of the student or instructor, they can be directed to an Equity Services Advisor in the Equity Services Department for assistance.

#### *For Pregnancy:*

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

#### **Academic Integrity**

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include; a grade of Failure in the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <http://carleton.ca/studentaffairs/academic-integrity>.



### **Sprott Student Services**

The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you're having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! <http://sprott.carleton.ca/students/undergraduate/support-services/>  
Be in the know with what's happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.

### **Important Information:**

- Students must always retain a hard copy of all work that is submitted.
- All final grades are subject to the Dean's approval.
- For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, it would be easier to respond to your inquiries if you would send all email from your Carleton account. If you do not have or have yet to activate this account, you may wish to do so by visiting <http://carleton.ca/ccs/students/>

### **Important Dates and Deadlines**

#### **January 2**

University reopens

#### **January 5**

Winter term classes begin.

#### **January 18**

Last day for registration for winter term courses.

Last day to change courses or sections (including auditing) for winter term courses.

Graduate students who have not electronically submitted their final thesis copy to the Faculty of Graduate and Postdoctoral Affairs will not be eligible to graduate in Winter 2017 and must register for the Winter 2017 term.

#### **January 20-22, 27-29**

Fall-term deferred examinations will be held.

#### **January 31**

Last day for a [fee adjustment](#) when withdrawing from Winter term courses or the Winter portion of two-term courses (financial withdrawal). Withdrawals after this date will create no financial change to Winter term fees.

**February 17**

April examination schedule available online.

**February 20**

Statutory holiday, University closed.

**February 20-24**

Winter Break. Classes are suspended.

**March 1**

Last day for UHIP refund applications for International Students who will be graduating this academic year.

Last day for receipt of applications from potential spring (June) graduates.

Last day for receipt of applications for admission to an undergraduate program for the summer term.

**March 10**

Last day to request formal exam accommodations for December examinations to the Paul Menton Centre for Students with Disabilities. Late requests will be considered on case-by-case basis.

**TBA**

[Last day to pay any remaining balance on your Student Account](#) to avoid a hold on access to marks through Carleton Central and the release of transcripts and other official documents. An account balance may delay Summer 2017 course selection.

**March 24**

Last day for tests or examinations in courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

**April 7**

Winter term ends.

Last day of fall/winter and winter-term classes.

Last day for academic withdrawal from fall/winter and winter term courses.

Last day for handing in term work and the last day that can be specified by a course instructor as a due date for term work for fall/winter and winter-term courses.

**April 10-25**

Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all 7 days of the week.

**April 14**

Statutory holiday, University closed.

**April 25**

All take home examinations are due on this day.

**May 5**

Graduate students who have not electronically submitted their final thesis copy to the Faculty of Graduate and Postdoctoral Affairs will not be eligible to graduate in Spring 2017 and must register for the Summer 2017 term.

**May 17-28**

Fall/winter and winter term deferred final examinations will be held.