



BUSI 2005 R
Income Tax Fundamentals

Course Outline
Winter 2021

Instructor*:	Devin Fraser, CPA, CA, CFE
Email:	devinfraser@cunet.carleton.ca
Class Time:	N/A - Online Only
Class Location:	N/A - Online Only
Office Hours:	By appointment as requested.

* Emily Gray is on maternity leave. While she has developed the course material (videos), Devin Fraser is the instructor for the Winter 2021 term.

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 Learning 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).

Course Prerequisites:

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

Precludes additional credit for:

BUSI 3005 – Taxation I and BUSI 4005 – Taxation II

Course Materials**1) Textbook****

“Canadian Tax Principles, 2020-21 edition, Byrd & Chen, 2020”

If you’d like to purchase a hard copy:

Havens Books – <https://www.havenbooks.ca/>

Carleton Bookstore – <https://www.bkstr.com/carletonstore/home>

If you’d like to purchase the E-Book:

Pearson My Lab: <https://www.pearsonmylabandmastering.com/northamerica/>

Course ID: fraser34934

You must register (or sign-in if you already have an account) and enroll in this course by using the Course ID above. You can use a credit card or PayPal to purchase access to the E-Book.

** The textbook is not required for any specific evaluation components in the course; however, it’s recommended for reading the theory in conjunction with watching the videos + it provides practice problems and solutions.

2) CuLearn (<https://carleton.ca/culearn/>)

- Slides and problems that accompany videos
- Course video lectures
- Test your learning quizzes
- Additional practice problems / recommended textbook exercises
- Assignment questions, solutions and dropboxes
- Additional material

3) Websites

- Canada Revenue Agency: <https://www.canada.ca/en/services/taxes.html>
- Income Tax Act: <https://laws-lois.justice.gc.ca/eng/acts/l-3.3/page-1.html>

Drop Course Policy:

The deadline for academic withdrawal is the last day of classes (each term).

Methods of Evaluation:

Component	Weight
Participation	10%
Assignments (4)	40%
Midterm (optional*)	15%
Final Exam	35% (or 50%*)
Total	100%

Participation:

To encourage students to keep up with the material, each week, students are required to submit via cuLearn a copy of their work from that week's material. This includes:

- 1) notes taken while watching the videos; or,
- 2) attempt of some of the practice problems for that week.

Each week will be marked out of 1 and based on effort. No submission or a poor submission will earn 0 marks. A sub-standard position may be awarded 0.5 marks. An appropriate effort will earn 1 mark. You can earn a maximum of 10% so by extension you can skip / miss two weeks of participation submissions without any penalty to your final grade.

Assignments:

To encourage students to learn together, brainstorm together, and help each other with understanding the course material, assignments must be completed in groups of 2. You will select your own groups. Any student who does not select a group by the deadline announced on cuLearn will be placed into a group at random. **Assignments must be completed in Word & Excel only. No handwritten responses will be accepted.** The assignments will be submitted on cuLearn and due by midnight on the following dates:

Assignment #	Week Coverage	Due Date	%
1	1, 2, 3	Feb 7	10%
2	4, 5	Feb 28	10%
3	6, 7	Mar 14	10%
4	8, 9, 10	Mar 28	10%

Late Assignments:

To ensure fairness for all students, penalties will be applied to late assignments: Failure to submit an assignment on time will result in a penalty of twenty (20) percentage points per day

up to a maximum of one day late. For example, an assignment that would normally merit a grade of 80% would receive a grade of 60% if submitted the following day. Assignments will not be accepted at all after the following day and a grade of 0% will be awarded. Given the fact assignments are open and able to be worked on at any time during the course up until the deadline, no requests for extension will be considered - this means don't wait until the last minute to attempt or submit the assignment.

Midterm & Final Exam:

The midterm and final exam will test both the technical and conceptual aspects of the course. All assigned readings from the textbook/cuLearn and material presented in the video lectures are examinable. The Tax Appendix for 2020 (provided on cuLearn) should be used alongside the midterm and final examination. Please print it out and have it beside you as you work through these assessments. **Both the midterm and the final examination must be completed in Word & Excel only. No handwritten responses will be accepted.**

The midterm will be held online on Saturday March 6, 2021 from 9:00 - 10:30am EST. The midterm covers chapters 1, 2, 3, 5, 6 and 7 (the first 6 weeks of the term). The midterm is optional. If you choose to write it your midterm grade will only count in the calculation of your final course grade if it increases your grade. There will be no deferred midterm examination held. If you choose not to (or cannot) write the midterm, the final exam will be worth 50%.

The final examination will be held online in the regular examination period (April 16 - 27, 2021). The date will be announced by Scheduling and Examination Services. 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.**

Marking:

The assignments and exams will be marked by the teaching assistants and the instructor 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 question a grade that has been awarded. In this circumstance, please email the instructor describing the difficulty with your 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.

How to do Well in this Course:

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

Suggested Weekly Workload

Work Suggested Each Week	Estimated Time (Minutes)
Watch video lectures/problems, taking good quality notes as you go (handwritten notes are recommended for better retention)	180
Work through the practice problems for the chapter and some of the recommended textbook exercises	120
Submit participation items (your notes or some practice problems)	15
Read the sections of the textbook relevant to the TOPICS COVERED IN THE VIDEO LECTURES (i.e. not all material in the textbook is covered. You are not expected to read the entire textbook, or even the entire chapter; just the items that match the video content)	80
Work on assignment	105
Review forum posts and submit any questions you have from your studies on the relevant discussion forum	10
Attempt quiz for topic	30
	~540 minutes
	~9 hours

Course Schedule:

Week Date	Coverage	Participation Activity Deadline	Assignment Coverage
1 Jan 11	Chapter 1 - Introduction to Federal Taxation in Canada - 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 17	Assignment 1 Due Feb 7
2 Jan 18	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	Jan 24	
3 Jan 25	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	Jan 31	
4 Feb 1	Chapter 5 - Capital Cost Allowance - Basic CCA and UCC balance calculation (acquisitions/dispositions), declining balance and straight line (for specific classes) - Major CCA classes - Special topics	Feb 7	Assignment 2 Due Feb 28
5 Feb 8	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)	Feb 22	
Feb 15	Winter Break		

Week Date	Coverage	Participation Activity Deadline	Assignment Coverage
6 Feb 22	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	Feb 28	Assignment 3 Due Mar 14
7 Mar 1	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.	Mar 7	
8 Mar 8	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	Mar 14	
9 Mar 15	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	Mar 21	Assignment 4 Due Mar 28
10 Mar 22	Chapter 12 - Taxable Income and Tax Payable for Corporations - Division C deductions - Basic rate and reductions (general, small business, M&P, etc.)	Mar 28	
11 Mar 29	Chapter 13 - Taxation of Corporate Investment Income - RDTOH, refundable Part 1 and Part IV - Integration revisited	Apr 4	N/A

Week Date	Coverage	Participation Activity Deadline	Assignment Coverage
<p>12 Apr 5</p>	<p>Chapter 15 - Corporate Taxation and Management Decisions - Incorporation - Salary vs. Dividend</p> <p>Chapter 19 - Trusts and Estate Planning - Transfers to spouse/children</p> <p>Chapter 21 - GST / HST - Liability and registration - Collection, ITC's and remittances - Quick method/Simplified Method</p>	<p>Apr 11</p>	<p>N/A</p>

ADDITIONAL INFORMATION

Course Sharing Websites

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.

Grading

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			

Grades entered by Registrar:

WDN = Withdrawn from course

DEF = Deferred

Academic Regulations

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 Accommodation

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist.

For more details, visit the Equity Services website:

carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist.

For more details, visit the Equity Services website:

carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Academic Accommodations for Students with Disabilities

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made.

carleton.ca/pmc

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for

the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist.

<https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline

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 on 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:

<https://carleton.ca/registrar/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 are 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/learning-support/>

** Note that the office is physically closed. However, e-drop in is available between 8:30-4:30 until social distancing requirements are updated by the Province.*

Centre for Student Academic Support

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic

writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: carleton.ca/csas.

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, in order to respond to your inquiries, please send all email from your Carleton CMail account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://carleton.ca/its/get-started/new-students-2/>