



BUSI 2005R – Income Tax Fundamentals Winter 2018

COURSE OUTLINE

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<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 a hardcopy at **Haven Books** – 43 Seneca St., corner of Seneca and Sunnyside)

Canadian Tax Principles, 2017-18 edition, Byrd & Chen, Pearson, 2017

Note: If you are taking this course by distance and want the textbook, you can obtain a copy directly from Pearson: <http://www.mypearsonstore.ca/bookstore/canadian-tax-principles-2017-2018-edition-plus-companion-9780134833644>

On Reserve at the Library

- If attempting to use the 2016-17 edition of our textbook, please be aware that some tax laws change every year. I have put a copy of the 2017-18 edition on reserve at the library for you to reference when needing to find new rules.
- I have also included a copy of the 38th edition of “Introduction to Federal Income Taxation in Canada” text on reserve at the library (by Beam, Laiken & Barnett). If you are having trouble understanding our textbook, you can try an alternative!

-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

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 (5)	35%
Midterm – 75 minutes	15%
Final Exam – 3 hours (during formal final exam period)	<u>40%</u>
	<u>100%</u>

Participation

The participation grade is based on your mark on the self-assessment quizzes on cuLearn by their respective due dates (usually 1 quiz for each “topic”). 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. In addition, your 3 lowest quiz grades will be removed from the calculation of the final mark.

Note – in cuLearn, the quiz solutions are ONLY VISIBLE if you ATTEMPTED the quiz in the first place. If you did not attempt the quiz, you won't be able to access the solution.

Assignments

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

Assignment #	Chapter Coverage	Due Date	%
1	1, 2	Jan 21	7%
2	3, 5	Feb 11	7%
3	6, 7, 8	Mar 11	7%
4	9 & 10, 4 & 11	Mar 25	7%
5	12 & 13	Apr 8	<u>7%</u>
			35%

Midterm & Final Exam

The midterm and 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 midterm will take place on Saturday, March 3 from 1-2:15pm and will cover chapters 1, 2, 3, 5, 6 and 7.

The final examination will be held in the regular examination period. 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 midterm and final exam (you will see this appendix, and what it contains, prior to the examination).

Marking

The assignments and exams 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 TA 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 her to properly identify you.

Teaching Assistants and Support

Teaching assistants are available to support you throughout this course. They will answer any questions posted to the Discussion Forums in a timely manner. In addition, senior accounting TA's will be holding office hours. The office hour schedule will be posted to cuLearn.

Stay on Top of the Work

Work Expected Each Week	Estimated Time (Minutes)
Review learning objectives for chapter	5
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)	0-20
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. <u>Readings should focus on topics covered in the video lectures.</u></i>)	80-90
Participate in weekly participation activity - quiz	30-60
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
	~540 minutes/week
	~9 hours/week

How to do Well in this Course

This course covers A LOT of material. Keeping up with the weekly lectures/quizzes 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. Please post questions in the cuLearn discussion forums if you don't understand something.

Course Schedule (Approximately)

WEEK	COVERAGE	PARTICIPATION ACTIVITY	ASSIGNMENT COVERAGE
Jan 8-12	Introduction to Course (including Course Outline & Learning Outcomes)	Quiz - Due January 12	Assignment 1 - due January 21st
	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 15-26	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	Quiz - Due January 19th	Assignment 2 - due February 11th
	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 - Due January 26th	
Jan 29 - Feb 2	Chapter 5 - Capital Cost Allowances - Basic CCA and UCC balance calculation (half year rule (acquisitions/dispositions), declining balance and straight line (for specific classes)) - Major CCA classes - Special topics	Quiz - Due February 3rd	
Feb 5 - 9	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 - Due February 9th	
Feb 12 - 16	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 - Due February 16	Assignment 3 - due March 11th
READING WEEK			
Feb 26 - Mar 2	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 - Due Mar 2nd	

WEEK	COVERAGE	PARTICIPATION ACTIVITY	ASSIGNMENT COVERAGE
Mar 5 - Mar 16	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	Quizzes (NALT & Other Income/Deductions) - Due Mar 9	Assignment 4 - due March 25
	Chapter 10 - Retirement Savings and Other Special Income Arrangements - Deferred income plans	Quiz - Due Mar 16	
	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 - Due Mar 16	
Mar 19 - 23	Chapter 12 - Taxable Income and Tax Payable for Corporations - Division C deductions - Basic rate and reductions (general, small business, M&P, etc.)	Quiz - Due Mar 23	Assignment 5 - due April 8
Mar 26 - 30	Chapter 13 - Taxation of Corporate Investment Income - RDTOH, refundable Part 1 and Part IV - integration revisited	Quiz - Due Mar 30	
Apr 2 - 6	Chapter 15 - Corporate Taxation and Management Decisions - Incorporation - Salary vs. Dividend	Quiz - DUE April 6th	
	Chapter 19 - Estate Planning - Transfers to spouse/children		
	Chapter 21 - Input Tax Credits (GST/HST) - Liability and registration - Collection, ITC's and remittances - Quick method for small businesses		

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.

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 the course

DEF = Deferred

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 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) 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 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/>

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 <http://carleton.ca/ccs/students/>

Important Dates and Deadlines

January 2

University reopens at 8:30 a.m.

January 8

Winter term classes begin.

January 12

OSAP deferral deadline. [Late payment charges and late registration charges](#) applied to the student account on or after this date for eligible OSAP students.

January 19

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 2018 and must register for the Winter 2018 term.

January 19-21, 26-28

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 and will result in a grade(s) of WDN appearing on your official transcript.

February 16

April examination schedule available online.

February 19

Statutory holiday, University closed.

February 19-23

Winter Break. Classes are suspended.

March 1

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 9

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

Date 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 2018 course selection.

March 27

Last day for summative or final examinations in winter term or fall/winter courses before the official examination period (see [Examination Regulations](#) in the Academic Regulations of the University section of the Undergraduate Calendar).

March 30

Statutory holiday, University closed.

April 7

[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.

April 11

Winter term ends.

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

Classes follow a Friday schedule

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 12-13

No classes or examinations take place.

April 14-26

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

April 26

All take home examinations are due on this day.

May 11

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 2018 and must register for the Summer 2018 term.

May 18-29

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

