



Carleton
University

Sprott
School of Business

CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI2005R
WINTER 2022
INCOME TAX FUNDAMENTALS – COURSE OUTLINE

Instructor: Emily Gray, CPA CA (she/her/hers)
Office: NI 7035
Office Hours: Tuesdays 4:30-5:30pm (in person)*
Thursdays 12:00-1:00pm (Zoom)
And by appointment (please don't hesitate)
Email: emily.gray@carleton.ca
Modality: Online; asynchronous
Prerequisite needed: BUSI1001 or BUSI1004 (with a grade of C- or higher)
Precludes: BUSI3005 and BUSI4005
*** On zoom when COVID restrictions in place**

The world is a university and everyone in it is a teacher. Make sure when you wake up in the morning, you go to school. (T. D. Jakes)

Land Acknowledgement:

We acknowledge that the land on which Carleton campus is located is the traditional, unceded territory of the Algonquin Anishnaabeg people. The Algonquin peoples have lived on this land since time immemorial. We are grateful to have the opportunity to learn together and to learn from each other in this territory.



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.

Learning Outcomes

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 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 Materials

1) Textbook (required)

“Canadian Tax Principles, 2021-2022 edition with Study Guide, Donell, 2021

Hard copies available at (in-person or order online):

- [Carleton Bookstore](#) – University Centre, or
- [Haven Books](#) – 43 Seneca St. (corner of Seneca and Sunnyside)

[Electronic access](#) can be purchased using the course id: gray48505.

2) Course Website (required): www.carleton.ca/brightspace

- Slides, handouts, problems, and lecture videos
- Participation point activities (discussion forums, submission dropboxes, etc.)
- Assignments and related submission dropboxes
- Office hour and study café zoom links
- Additional material
 - Reference material
 - Additional practice problems with solutions
 - Listing of recommended textbook exercises
 - Optional quizzes for practice

3) Other Useful Websites

- [CRA](#)
- [Income Tax Act online](#)

Course Requirements & Methods of Evaluation

Participation	10%
Assignments (6)	50%
Final exam	40%

Participation

Participation marks are awarded for a variety of activities (see below). There are more participation points available than needed to achieve the full 10%. This flexibility is built in to allow you to pick activities that fit your schedule, your interest, etc.

Available Items	Due Date (midnight on the day indicated)	Contribution toward Participation Point Grade	Note
Weekly notes submission	Sunday of the week to which the material pertains. See due dates on course schedule below.	.5 each Up to 6.5	1
Discussion forums			
• Student introductions	Sunday, January 16th	.5	
• Course outline feedback	Sunday, January 16th	1.0	
• Brightspace feedback	Monday, January 31st	1.0	
• Ch 1: Qualitative characteristics of tax systems	Sunday, January 23 rd	1.0	
• Ch 3: T2200	Sunday, February 6 th	1.0	
• Ch 11: Refundable tax credits	Sunday, March 27 th	1.0	
• Ch 11: Create your own tax credit	Sunday March 27 th	1.0	
Other activities			
• Ch 3: CRA administrative policy flashcard	Sunday, February 6 th	1.0	
• Ch 5: Dispositions at Lower of ACB and POD – Why?	Sunday, February 13 th	1.0	
• Ch 8: Principal Residence Exemption – Tax Planning	Sunday, March 13 th	1.0	
• Ch 21: Green's GST/HST return	Tuesday, April 12 th	1.0	
• CSAS workshops	Tuesday, April 12 th	1.0 each Up to 2.0	2
Total		19 (capped at 10/10)	3

Notes

- 1) I'm hoping that you take notes as you watch the videos where I present the slide deck material and as I walk through examples and problems. Good notetaking is an important part of learning. Writing things down in your own words helps with retention of the material. Having notes you made while watching the video the first time creates more efficient studying and assignment preparation as you don't have to go back to the video and rewatch something.

Videos allow for easier notetaking than a live lecture. You can pause the video to write your notes if I'm getting ahead of you. You can rewind the video if you missed something. You can pause if you need to go to the bathroom.

There is no specified format for these submissions; use whatever format for notetaking works best for you (e.g., taking notes directly in the powerpoint software in the 'notes' section below the slide, take handwritten notes on lined paper and scan them, take notes in word, print the slides and take handwritten notes on them, do calculations in excel, whatever). It's not the format that matters, but what works for you.

Given you should be doing this anyway, this participation point activity is only worth 0.5 for each submission (vs. 1.0 for most of the others). It's a small incentive for you to take good notes, to not fall behind in the material, etc. Plus, it allows for me or the TA to provide you feedback on how you might improve the quality of your notes to help you succeed.

If your notes are of appropriate quality, you will receive the full .5/.5. If they showcase a little less effort than desirable, you will receive half marks. If they are of poor quality, you will receive 0.

- 2) This course has been registered in the Incentive Program offered through the Centre for Student Academic Support (CSAS). CSAS Learning and Writing Support Workshops are designed to help students cultivate and refine their academic skills for a university environment. To earn up to 2% marks towards participation, students are expected to complete up to 2 workshops (1% each) throughout the term. The workshops must be completed by April 12 to receive credit. You may choose any workshop offered that is of interest / fits in your schedule. Note: the webinars are not eligible for this program, only the workshops.

For students' attendance to be captured, they must complete all workshop components and achieve 100% on the final assessment. Once students achieve 100% on the final assessment, they will receive a **Record of Completion award** from Brightspace. Students will need to download the Record of Completion PDF for each applicable workshop and submit them to the assignment submission box within the course. For more information about workshop attendance and submitting the Records of Completion, please visit the [Incentive Program Policies](#) on our website.

To view the complete list of the workshops and their descriptions, please visit the [Learning and Writing Support Workshops](#) page on the CSAS website. Please note that CSAS webinars and in-person workshops are not eligible for the Incentive Program.

To access the online workshops, please self-enroll on the CSAS [Online Resources page](#).

For further information on the Incentive Program, please visit the [Incentive Program FAQs](#) page. For additional questions, please contact the Centre for Student Academic Support at csas@carleton.ca.

- 3) As at the time of developing this course outline, the total available participation point total 19. Additional activities may be added throughout the term as opportunities arise. The maximum achievable mark will remain 10/10.

Assignments

The assignments will be due on Brightspace by 6pm on the following dates:

Assignment #	Chapter Coverage	Due Date	% of Grade
1	1, 2	Jan 30	5%
2	3	Feb 13	10%
3	5, 6	Feb 28	10%
4	7, 8	Mar 13	10%
5	9, 10, 4/11	Mar 27	10%
6	12, 13	Apr 10	5%

Assignments can be done individually or in pairs (2). If working in pairs, you may choose your own partner, or you can reach out to me via email to help you find a classmate to work with.

Late work policy: The assignment deadlines are at least one week after the completion of related course material (sometimes more) and as such, should be sufficient. Yet, sometimes, despite our best efforts, and for good reasons, we can't meet our deadlines. You have two days of grace that you can apply to missed assignment deadlines. For example, a single assignment may be two days late or two assignments may each be one day late with no penalty. No reason required. No questions asked. That said, I need an email by the deadline indicating you will be late, but plan on submitting. It's important to me to post the solution as soon as possible for the other students, as this is a best practice for learning. I don't want all students to wait for submissions that aren't coming. Once the two days have been used, no further lateness will be accepted and any late submissions at that stage will receive 0.

Final exam

The final examination will be held in the regular examination period (Apr 14-28). 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.

The default assumption is that students will write the final exam in-person on campus. If that is not possible (e.g., you live in another city), students may request to write the final exam remotely via e-mail to the instructor. Note: remote exam writing will require you to write with e-proctoring (see below) and will take place at the same time as the in-person exam. The instructor will make an announcement partway through term indicating the deadline for such requests.

e-Proctoring: Please note that remote examinations in this course will use a remote proctoring service provided by Scheduling and Examination Services. You can find more information at <https://carleton.ca/ses/e-proctoring/>.

The minimum computing requirements for e-proctoring service are as follows:

- *Hardware: Desktop, or Laptop*
- *OS: Windows 10, Mac OS 10.14, Linux Ubuntu 18.04*
- *Internet Browser: Google Chrome, Mozilla Firefox, Apple Safari, or Microsoft Edge*
- *Internet Connection (High-Speed Internet Connection Recommended)*
- *Webcam (HD resolution recommended)*

Note: Tablets, Chromebooks and Smartphones are not supported at this time. Windows-based tablets are not supported at this time.

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, in-class handouts and material from lectures are examinable. 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 final 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 write a brief email describing the difficulty with the awarded grade to the instructor no later than seven calendar days following the date the assignments/tests were handed back. Please be sure to include your student number in the email to enable us to properly identify it.

Reduction of Bias

I make an effort to reduce unintentional bias in grading by, for example and when possible, grading anonymously, using clear and specific rubrics, and grading tests one question at a time (grading all of question 1 before grading any of question 2), etc.

How to Do Well: Stay on Top of Your Work

Work Expected Each Week	Estimated Time (Hours)
Watch lecture material, take good notes, solve problems on own when instructed and then watch video takeup, etc.	3
Participation point activities	1
Work with material on your own (e.g., problems with video solutions, problems with pdf solutions, read textbook chapter, exercises/review questions in textbook, etc.)	2.5
Work on assignment	2.5
Hours per week (on average)	9

Course Schedule

WEEK	COVERAGE	PARTICIPATION ACTIVITY - NOTES SUBMISSION	ASSIGNMENT COVERAGE
Jan 10 - 16	Introduction to Course	Due January 16	Assignment 1 - due January 30
	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 17 - 30	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	Due January 23	Assignment 2 – due February 13
	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	Due January 30	
Jan 31 - Feb 6	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	Due February 6	Assignment 3 - due February 28
Feb 7 - 13	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)	Due February 13	

WEEK	COVERAGE	PARTICIPATION ACTIVITY - NOTES SUBMISSION	ASSIGNMENT COVERAGE
Feb 14 - 20	Chapter 7 - Income from Property - Inclusion of income from interest, royalty, rental, dividends - The dividend gross up/tax credit system & why (integration) - Shareholder benefits & loans - Deductions against property income	Due February 28	Assignment 4 - due March 13
READING WEEK Feb 21 - 27			
Feb 28 - Mar 6	Chapter 8 - Capital Gains and Losses - Basic calculation, and ACB/POD inclusions - Special topics, including PUP/LPP, principal residence, reserves, CGE, ABIL, small business investments, replacement property, etc.	Due Mar 6	
Mar 7 - 20	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	NALT & Other Income/Deductions - Due Mar 13	Assignment 5 – due March 27
	Chapter 10 - Retirement Savings and Other Special Income Arrangements - Deferred income plans	Due Mar 20 (incl comprehensive problems)	
	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	Due Mar 20	

WEEK	COVERAGE	PARTICIPATION ACTIVITY - NOTES SUBMISSION	ASSIGNMENT COVERAGE
Mar 21 - 27	Chapter 12 - Taxable Income and Tax Payable for Corporations - Division C deductions - Basic rate and reductions (general, small business, M&P, etc.)	Due Mar 27	Assignment 6 - due April 10
Mar 28 - Apr 3	Chapter 13 - Taxation of Corporate Investment Income - RDTOH, refundable Part 1 and Part IV - integration revisited	Due Apr 3	
Apr 4 - 10	Chapter 15 - Corporate Taxation and Management Decisions - Incorporation - Salary vs. Dividend - Bonusing down - Section 85 / Section 86	Due April 10	
	Chapter 19 - Trusts		
	Chapter 21 - GST/HST - Liability and registration - Collection, ITC's and remittances - Quick method/Simplified Method		

Contribution to Learning Goals of the Program ([BCom](#), [BIB](#))

Program Learning Goal	Competencies Not Covered	Competencies Introduced (only)	Competencies Taught But Not Assessed	Competencies Taught and Assessed
CHECK (X) ONE PER ROW				
BC1 Knowledge <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i>				X
BC2 Collaboration <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i>			X	
BC3 Critical Thinking <i>Graduates will be discerning critical thinkers, able to discuss different viewpoints, challenge biases and assumptions, and draw conclusions based on analysis and evaluation.</i>		X		
BC4 Communication <i>Graduates will be effective and persuasive in their communications.</i>				X
BI5 Global Awareness (BIB ONLY) <i>Graduates will be globally-minded.</i>				

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

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 Accommodation

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.

Process: If an alleged violation occurs, all relevant documentation will be forwarded to the Dean. If the allegation proves true, the 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.

For a first offence, at a minimum, the penalty assigned will normally be a zero on the submitted work and at least a minimum full grade reduction of the final course grade. For a second offence, at a minimum, the penalty assigned will normally lead to a suspension from studies.

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 Undergraduate Student Services Office offers program advising and overall student success support. Our team is available to discuss your academic goals and your program progression plans. We can also work with you to develop strategies for success, including study skills for Business. If you experience any difficulty this term or if you would like to access support, please contact our team at bcom@sprott.carleton.ca or at bib@sprott.carleton.ca.

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 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/>
-

Important Dates & Deadlines

Date	Activity
WINTER TERM 2022	
January 3, 2022	Deadline for course outlines to be made available to students registered in winter term courses
January 5, 2022	University reopens.
January 10, 2022	Winter term classes begin.
January 24, 2022	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 2022 and must register for the winter 2022 term.
January 21-23, 28-30, 2022	Fall term deferred final examinations will be held.
January 31, 2022	Last day for withdrawal from winter term and winter portion of fall/winter courses with full fee adjustment. Withdrawals after this date will result in a permanent notation of WDN on the official transcript.
February 18, 2022	April examination schedule available online.
February 21, 2022	Statutory holiday. University closed.

Date	Activity
February 22-25, 2022	Winter Break, no classes.
March 1, 2022	Last day for graduate students to submit their supervisor-approved thesis, in examinable form to the department.
	Last day for receipt of applications to Bachelor of Architecture, Bachelor of Industrial Design, Bachelor of Information Technology (Interactive Multimedia and Design), Bachelor of Music and the Bachelor of Social Work degree programs for the fall/winter session.
	Last day for receipt of applications for admission to an undergraduate program for the summer term.
	Last day for receipt of applications for admission from candidates who wish to be guaranteed consideration for financial assistance (including Carleton fellowships, scholarships and teaching assistantships) administered by Carleton University. Candidates whose applications are received after the March 1 deadline may be considered for the award of a fellowship, scholarship or teaching assistantship (Graduate students only).
March 16, 2022	Last day to request Formal Examination Accommodation Forms for April examinations to the Paul Menton Centre for Students with Disabilities. Note that it may not be possible to fulfil accommodation requests received after the specified deadlines.
March 29, 2022	Last day for summative tests or examinations, or formative tests or examinations totaling more than 15% of the final grade, 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/General Regulations of the Graduate Calendar).
April 1, 2022	Last day for receipt of applications for admission to an undergraduate program for the fall/winter session, from candidates

Date	Activity
	whose documents originate outside Canada or the United States, except for applications due February 1 or March 1.
	Last day for receipt of applications from potential spring (June) graduates.
April 12, 2022	Winter term ends.
	Last day of fall/winter and winter term classes.
	Last day for take home examinations to be assigned, with the exception of those conforming to the Examination regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar.
	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 13, 2022	No classes or examinations take place.
April 14-28, 2022	Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all seven days of the week.
April 15, 2022	Statutory holiday. University closed
April 28, 2022	All take home examinations are due on this day, with the exception of those conforming to the Examination regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar.

Date	Activity
May 1, 2022	Last day for receipt of applications for undergraduate internal degree transfers to allow for registration for the summer session.
May 13, 2022	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 2022 and must register for the summer 2022 term.
May 20- June 1, 2022	Fall/winter and winter term deferred final examinations will be held.
