



## **Taxation 1**

BUSI 3005C  
WINTER 2025

<b>Instructor:</b>	Naomi Fernando, CPA (she/her/hers)
<b>Email:</b>	naomifernando@cunet.carleton.ca
<b>Office:</b>	Nicol Building 7036
<b>Office Hours:</b>	If you have any questions, feel free to send me an email. We can arrange a time to meet, either in person or via Microsoft Teams, whichever works best for you.
<b>Modality:</b>	Mixed (1 hour asynchronous and 2 synchronous)
<b>Class Times:</b>	Monday 11:35 – 14:25

**In order to stay updated with important notifications and announcements from Carleton University, please download the Carleton University App. This will ensure you receive timely information regarding your courses and other university-related updates throughout the term.**

### ***Pre-requisites & Precluded Courses:***

BUSI 2001 – Intermediate Accounting I (with a grade of C- or higher).

### ***This course is a prerequisite to:***

BUSI 4005 – Taxation II (with a grade of C- or higher).

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### **Land Acknowledgement**

We acknowledge that the land on which Carleton campus is located is the traditional, unceded territory of the Algonquin Anishinaabeg 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 Calendar Description (from the [2024/2025 University Calendar](#))

Federal income tax laws and regulations and their impact on an individual's financial and business decisions. Problems, issues and planning associated with the Income Tax Act and concerned with the computation of taxable income and taxes payable by an individual are discussed.

### Drop Course Policy

The deadline for academic withdrawal follows the dates prescribed by Carleton University:  
<https://calendar.carleton.ca/academicyear/>

The deadline to drop this course with full fee adjustment is January 31<sup>st</sup>, 2025. The last day to withdraw from full winter courses is March 15<sup>th</sup>, 2025.

### Learning Outcomes:

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, considering 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.

### Reading(s)/Textbook(s)/Required Materials

"Introduction to Federal Income Taxation in Canada 44th edition with Student Study Guide, Johnstone, Mescall, Robson et al, 2024-2025."

Digital copy available at:

- the [Carleton Bookstore](#) for \$230.00

Hard copies available at

- the [Carleton Bookstore](#) for \$277.50.
- Options include:
  - Shop/pickup in store
  - Ship to home (costs extra \$)

Earlier editions should be used with caution, as tax laws change to some extent EVERY YEAR, and many tax amounts are indexed for inflation annually.

I've also placed a copy of the textbook on reserve at the Carleton library.



1) **Course Website (required):** [www.carleton.ca/brightspace](http://www.carleton.ca/brightspace)

- Weekly PowerPoint files (Please come to class prepared with either a hard copy, or soft copy accessible on a reasonable device (not your phone))
- Videos of class lectures
- Assignments and related submission Dropbox
- Additional materials: reference material, additional practice problems with solutions, and listing of recommended textbook exercises

2) **Other Useful Websites**

- Canada Revenue Agency: [www.cra.gc.ca](http://www.cra.gc.ca)
- [Income Tax Act online](#)

**Methods of Instruction:**

Method of Instruction for the Winter of 2025, this course will be delivered following the outline below:

- This is a flipped classroom. This means that you will be watching videos I have recorded on the course material on your own. We will meet once a week to work through problems together in class based on the previous week's materials. We will also use our time together to go over any concepts that, perhaps, need a bit more clarification. Be advised that should I observe a lack of engagement with the online videos, I may revert back to in person 3-hour lectures.

*On the following page, you'll find a detailed guide outlining how your weeks should be structured throughout the duration of this course.*

Here is how your weeks should look for the Winter term:

*Monday – Friday: Study!*

- a. Work through the videos and problems posted on Brightspace.
- b. I will post a “Weekly Memo” each week to fully lay out what is expected and what order the work should be done in.
- c. I cannot stress this enough, keeping up on readings and the material is crucial in this course. Each week builds on the previous weeks’ content, so if you fall behind, you will continue to do so and find yourself in trouble. Keep up. Do the work.
- d. Any questions you have, please post to Brightspace in the discussion board, bring them to class or send me an email.

*Friday: Problems, problems, problems*

- e. 120-minute(ish) session Section C (Monday) – 11:35-14:35.
- f. During this session I will go over several problems and answer any questions students have on the materials from the week.
- g. If you have done the work during the week, that is watched all the videos, completed all the problems etc., this session should be a review/study session. If you keep up, you will surely get more out of this session than simply attending and copying down answers.

*Course Videos – The “lectures”*

- h. Students are responsible for watching the videos, digesting the content, and contacting me if there is anything they do not understand. Do NOT fall into the trap of thinking because you watched the video you understand the material and are “done”. We can all tune out, have distractions, and simply watch a video without really watching it.
- i. During the lecture videos, I will give you examples to work through on your own. I cannot stress enough how important it is for you to take the time to try and solve these questions and examples on your own. Try. Try without looking at the solution. That is the only way you are going to learn.

Students are responsible for the entire content of each chapter of the textbook assigned, as well as additional topics discussed in class, except for those specifically excluded by the instructor.

Class sessions entail a mixture of lectures, problem solving, case study, and discussion. The content of any lecture presumes and expects you have carefully studied the assigned reading. Lectures emphasize the major topics and readings, yet you are responsible for all assigned materials. It requires active learning, which means students must take responsibility for the

learning that takes place. You must be prepared for each class and practice the learned material after class. You are encouraged to ask questions and stimulate discussion on topics you have difficulty understanding.

**Grading Scheme:**

a. Participation (Tax Clinic)	5%
b. My Desperate Client	10%
c. Assignments (4)	45%
d. Final exam (3 hours, during final exam period)	40%
	<u>100%</u>

**a. Participation (Tax Clinic): 5%**

Students must fill out [this form](#) by **Sunday, January 19, 2025**.

*Details:*

Tax clinics (5%): Students participate in one of two community tax clinics that Sprott will be hosting, in partnership with the Sprott Tax Students Association (STSA). This option requires that you are in Ottawa, attend the training and ONE of the two tax clinics.

*When/Where:*

- Mandatory Training: Saturday, March 22, 11am-3pm
- Tax clinic 1 – Riverside United Church, 3191 Riverside Dr., Ottawa, ON
  - When: Friday, April 4, 2024, 6pm-9pm
- Tax clinic 2 – Barrhaven United Church, 3013 Jockvale Rd., Nepean, ON
  - When: Saturday, April 5, 2024, 10am-1pm

*What:* Students will prepare tax returns in T1 software for community residents.

- Clients will be vetted beforehand to ensure their tax return is not overly complex. Professionals working in tax will be onsite to assist. Sprott Tax Student Association members and instructors will be onsite to review tax returns before e-filing.
  - Friday, Apr 4 – Sunday, Apr 6

**b. My Desperate Client: 10%**

Five times during the term, on a Monday, a question will be made available to you through Brightspace from me, your desperate client. The assignment will read: "BUSI 3005 – YOUR DESPERATE CLIENT". Your answer will be due the following Tuesday night at 11:59 pm. You need to answer them the best that you can with your tax advice. Yes, you can use your notes/textbook. Read carefully and answer the question FULLY. The question your client poses will ALWAYS be from material that should be fully covered up to that point in the course.

These are to be done individually, and students will be assigned questions at random. You do not know when your client is going to need your help. You do not know what they are going to ask. You need to be prepared to answer your desperate client. I know I am being a bit cheeky but try not to stress this component. If you have been keeping up with the lecture material and practice problems, then this will be straightforward. It is meant to keep you on your toes a bit, but even more so it is meant to ensure you are keeping up with the work. Know that the assignment will be available every Monday, so be sure to check Brightspace to see if it is your week. I will also send an email to you, to let you know that it is available. If you do not hear from me that week, you are off the hook. 😊 But remember - you will be asked five times in the term.

Your grade will be based off your BEST FOUR grades (4 best x 2.5% weighting each).

**c. Individual Assignments – 4 in total – 45% of total grade**

The assignments will be due on the following dates by 11:59pm:

Assignment #	Weight	Chapter Coverage	Due Date
1	11.25%	1, 2, 14	January 24
2	11.25%	3,4	February 14
3	11.25%	5 & 6	March 14
4	11.25%	7 & 8	April 4

Assignments must be completed individually. To ensure anonymous grading, please submit your assignment using only your student number. Do not include your name anywhere on your submission.

Late assignment policy - "Days of Grace": 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 before the deadline indicating you will be late, but plan on submitting. It is only polite (and professional). It's also important to me to post the solution as soon as possible for the other students, as quick access to the solution is a best practice for learning. I don't want all students waiting 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.

#### **d. Final – 40% of total grade**

The final examination will be held in the regular examination period (Apr 11-26). 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 final exam will be conducted in person. You have the option to write the exam on your own device, but if you choose this option, it will be e-proctored.

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

- Hardware: Laptop
- OS: Windows 10, Mac OS 10.14, Linux Ubuntu 18.04
- Internet Browser: Google Chrome, Mozilla Firefox, Apple Safari, or Microsoft Edge
- Note: Chromebooks, tablets (Android, iOS, Windows), and smartphones are not supported by CoMaS at this time. You must complete your exams using Windows-based or MacOS computers.

#### **Comments on Marking**

The assignments and final exam will be marked by the teaching assistant 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 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 assignment was handed back. Please be sure to include your student number and your assignment GROUP # in the email to enable us to properly identify it.

#### **Reduction of Bias**

I try 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.

## Course Schedule

Week	Dates	Expected Class Coverage	Textbook References	Topics
Before the term		Getting Started - Introduction to BUSI 3005 - The Course Outline - Brightspace Walkthrough - The Tax Appendix		Input all important dates/deadlines in your calendar
Week 1	January 6, 2025	Introduction to Course Tax Basic rules/admin	Chapter 1 Chapter 10 (just review at a high level ... you won't understand much of it yet, but I feel it is important to know where we are going in order to keep the "big picture" in mind)	<b>Weekly Memo Week 1</b> Introduction to the course How to navigate through Brightspace How to use the Weekly Memo to organize your studying this term
Week 2	January 13, 2025	Tax Basic rules/admin	Chapter 2 – Liability for Tax Chapter 14 – Rights and Obligations (Only read up to 14,120) (just review at a high level ... you won't understand much of it yet, but I feel it is important to know where we are going in order to keep the "big picture" in mind)	<b>Weekly Memo – Week 2</b> Residency Liability for Tax (who pays what!) Filing a return/interest and penalties Instalments



Week	Dates	Expected Class Coverage	Textbook References	Topics
Week 3	January 20, 2025	Chapter 3 – Employment Income	Chapter 3 3,000-3,122	<b>Weekly Memo – Week 3</b> Employee vs. Self-Employed (Business) Taxable Benefits – the general rules Taxable Benefits – specific exclusions Taxable Benefits – Employee Loans
Week 4	January 27, 2025	Chapter 3 – Employment Income continued	Chapter 3 3,130-3,300	<b>Weekly Memo – Week 4</b> Taxable Benefits – Stock Options Taxable Benefits – Automobile Benefits Allowances vs. Reimbursements Deductions from Employment Income
Week 5	February 3, 2025	Chapter 4 – Business Income	Chapter 4	<b>Weekly Memo – Week 5</b> Types of Income Business Income vs. Accounting Income Sales/Negotiating Person vs. Employee vs. Business
Week 6	February 10, 2025	Chapter 5 - CCA	Chapter 5	<b>Weekly Memo – Week 6</b> The CCA System
<b>February 17-21 - Reading Week</b>				

Week	Dates	Expected Class Coverage	Textbook References	Topics
Week 7	March 3, 2025	Chapters 6 & 13 – Property Income	Chapter 6 Chapter 13: Section 13,020 Shareholder benefits	<b>Weekly Memo – Week 7</b> Interest Income Dividend Income Integration Rental Income Property Income - deductions Shareholder Benefits (Ch13)
Week 8	March 10, 2025	Chapter 7 – Capital Gains	Chapter 7	<b>Weekly Memo – Week 8</b> Capital Gains - Overview PUP & LPP Principal Residence
Week 9	March 17, 2025	Chapter 7 – Capital Gains Continued	Chapter 7	<b>Weekly Memo – Week 9</b> Superficial Losses Identical Properties Small Business investment losses Other Issues in C.G.
Week 10	March 24, 2025	Chapter 8 - Non-arm's length transactions	Chapter 8	<b>Weekly Memo – Week 10</b> Related Persons NALT – General Rule NALT – Spouse Attribution Rules Income Splitting & deemed disposition on death
Week 11	March 31, 2025	Chapter 9 – Other income and deductions	Chapter 9	<b>Weekly Memo – Week 11</b> Other Income Spousal Support Other Deductions Child Care Expenses Moving Expenses RRSPs

Week	Dates	Expected Class Coverage	Textbook References	Topics
Week 12	April 7, 2025	Chapter 10 – Computation of Taxable Income and Taxes Payable for Individuals	Chapter 10	<b>Weekly Memo – Week 12</b> Aggregation Formula – Review Loss Carry forwards – Review Non-Refundable Tax Credits Calculation of Tax Payable

*(Cont'd on the next page)*

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
<b>BC1 Knowledge</b> <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i>				✓
<b>BC2 Collaboration</b> <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i>			✓	
<b>BC3 Critical Thinking</b> <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>				✓
<b>BC4 Communication</b> <i>Graduates will be effective and persuasive in their communications.</i>				✓
<b>BI5 Global Awareness (BIB ONLY)</b> <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, followership, 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 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

Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the *Academic Consideration Policy for Students*

*in Medical and Other Extenuating Circumstances*, are outlined on the Academic Accommodations website ([students.carleton.ca/course-outline](https://students.carleton.ca/course-outline)).

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](https://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](https://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](mailto: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](https://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](https://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](https://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](mailto:bcom@sprott.carleton.ca) or at [bib@sprott.carleton.ca](mailto: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](http://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/>