



**BUSI 3005 A & B  
Taxation I  
Fall 2015**

**COURSE OUTLINE**

<i>Instructor</i>	Emily Gray, CPA, CA		
<i>Office</i>	DT 1004		
<i>E-mail</i>	<a href="mailto:egray@sprott.carleton.ca">egray@sprott.carleton.ca</a>		
<i>Office Hours</i>	Tuesdays 1-2pm Thursdays 12-1pm And by appointment		
<i>Class Time and Location</i>	Tues/Thurs (A)	14:30 - 16:00	LOCATION TBD
	Tues/Thurs (B)	16:00 - 17:30	LOCATION TBD

**Course Description**

This course introduces 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.

**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.

BUSI 3005 is the first of two introductory courses (with BUSI 4005) in income tax law which are 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 is an introduction to tax principles and practice. The focus of BUSI 3005 – Taxation I is on fundamental principles and personal income tax. The focus of BUSI 4005 – Taxation II is on corporate income tax and specialized topics.

**Prerequisites**

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)

*Precludes additional credit for:*

BUSI 2005 – Income Tax Fundamentals

**Course Materials**Required:

- Textbook (available at Haven Books and Carleton bookstore)
  - Introduction to Federal Income Taxation in Canada 35th edition with Student Study Guide, Beam, Laiken and Barnett, 2014
- A copy of the Income Tax Act, 2014 (available at Haven Books and Carleton bookstore)
  - Federal Income Tax Act, 12<sup>th</sup> ed., CPA, 2014 (FITA)
  - Canadian Income Tax Act with Regulations, 97<sup>th</sup> ed., CCH, Autumn 2014 (CITA)
- Coursepack (available at Squirrel Bookstore – Sunnyside and Bank)
- Course website on cuLearn: <http://www.carleton.ca/culearn>
  - Assignments and hand-in
  - Videos
  - Additional material

Supplemental:

- Textbook (on reserve in Library)
  - Canadian Tax Principles, 2014-15 Edition, Byrd & Chen, 2014
- Websites:
  - Canada Revenue Agency  
[www.cra.gc.ca](http://www.cra.gc.ca)
  - Income Tax Act on the Department of Justice Canada website:  
<http://laws-lois.justice.gc.ca/eng/acts/l-3.3/page-1.html>

**Method of Instruction**

The format of the course consists generally of two 80 minute lectures each week. Due to time constraints, not all chapter material will be covered in class. 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 lecture, problem solving, case study, group work, 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, participate during 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

Participation	10%
Assignments (5)	40%
Midterm – 80 minutes (in class October 9 <sup>th</sup> , 2014)	15%
Final Exam – 3 hours (during formal final exam period)	<u>35%</u>
	<u>100%</u>

#### Participation

Participation marks are earned by accumulating “participation points” as they become available throughout the semester (I will draw significant attention to every time points become available). Opportunities to accumulate participation points may be offered for such things as: attendance, completing homework exercises, participating in an in-class activity/presentation, posting on the discussion forums, etc. Participation points awarded may also differ by activity (e.g. a homework exercise may be worth 30 points, whereas an in-class presentation of a group brainstorming session may be worth 10 points, and class attendance may be worth 5 points). I will always make known to you the amount of points available for a particular activity.

The final 10% grade will be determined by the number of points you’ve accumulated compared to a benchmark of 500 points.

#### Assignments

The assignments will be **due by 9pm through cuLearn on the due dates** as follows:

Assignment #	Chapter Coverage	Due Date
1	1, 2, 14	Sep 22
2	3, 4	Oct 14
3	5, 6	Nov 3
4	7, 8, NALT & ATT*	Nov 17
5	9, 10	Dec 8

\* NALT & ATT: Non-Arm’s Length Transactions and Attribution Rules (chapters 6 & 7)

The assignments cover the identified chapter content and must be handed in by 9:00pm on the respective due dates above (all Mondays except for October 14<sup>th</sup> which is a Tuesday), through the Assignment function in cuLearn. The assignments are to be done in groups of 2-3 students; choose wisely as groups are to remain consistent throughout the term (you cannot change groups during the term).

**Late assignments will not be accepted. Make-up assignments are not provided.**

#### Midterm and 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, in-class handouts and material from lectures are examinable.

*Missed Midterm:* If you must miss the midterm due to a verifiable illness (or, in rare cases, some other acceptable circumstances beyond your control), the weight for the midterm will be transferred to the final examination (i.e. the final exam will count for 50% of the grade). If the midterm is missed without a legitimate reason, a grade of zero will be given. A medical certificate or other verifiable documentation must be submitted to the instructor no later than five (5) calendar days after the date of the midterm (scanned by email is acceptable).

*The final examination* will be held in the regular examination period (December 10-21). The duration of the exam will be 3 hours. The final examination will cover the whole course. **You need to obtain a minimum of 45% on the final exam to pass this course.** A Tax Appendix, with various information, will be provided by the instructor as part of the final exam (you will see this appendix, and what it contains, prior to the examination).

### Marking

The assignments and 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 on exams 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 on a test. In this circumstance, please write a brief note describing the difficulty with the awarded grade and provide this note, together with the graded test/assignment, to the instructor or teaching assistant no later than seven calendar days following the date the assignments/tests were handed back. Please be sure to include your name and student number on the note to enable us to properly identify it.

### **cuLearn**

cuLearn is an integral part of the course. Much course related material and information will be found here. Please check it regularly.

### **Conduct**

Professional conduct is built upon the idea of mutual respect. Such conduct includes (but is not limited to):

#### *1) Attendance & Punctuality*

Doing well in the course is highly correlated to your attendance (notwithstanding earning participation points for being here). I will do my best to make the class of value to you, and in turn, I expect you to bring your energy and good attitude with you to each and every class. If circumstances prevent attendance, please remember that you are responsible for all materials discussed, handouts distributed, problems covered, and announcements made.

Late arrivals are disruptive to me and the other students in the class. On that note, early departures should also be an exception.

#### *2) Other Disruptions*

This is a very broad category, and includes leaving and re-entering class (although I understand that there are times that this is a necessity). Side conversations are incredibly distracting to me and the other students in the class. Talking to the class a whole, though, is encouraged. Texting, other cell phone use, internet surfing or completing other classwork while in my class is a poor use of your time and will not be tolerated. Unfortunately, you are not as good a multitasker as you would like to believe. Please turn your phone on silent (or off) – mine will be on airplane mode so as not to disrupt but so that I can still see the time.

### 3) *Being Prepared*

You should be ready to discuss any assigned readings and to answer any assigned questions for each day's class. Please refer to the course schedule and time on task details below, as well as any in-class announcements to know what is expected from you at each class.

#### **Emily's Away...**

As much as it pains her to be away from you, part of Emily's employment contract requires her to stay "active in the profession". As such, Emily takes part in the CPA UFE marking centre as a team leader. For this reason, she will be away from class on:

- September 25<sup>th</sup>, 2014: Class will be online (video format)
- October 9<sup>th</sup>, 2014: Midterm! Go to your regular classroom.
- October 14<sup>th</sup>, 2014: Class will be online (video format)
- October 16<sup>th</sup>, 2014: Class will be online (video format)

It is up to you to exercise sufficient discipline to watch the lecture videos before the next class with Emily, and prepare any work requested of you within the video (including opportunities for participation points). These videos will be left up after the date identified though for anyone who wishes to revisit/review the material.

### Stay on Top of Your Work

Work Expected Each Week	Estimated Time (Minutes)
<b>BEFORE CLASS</b>	
Review learning objectives for chapter	10
Read chapter(s) for next class (see course schedule)	80
Try example problems from chapter for next class	30
Read slides for next class	20
Note down any questions you have for class	10
<b>IN CLASS</b> - attend class as active participant/learner	180
<b>AFTER CLASS</b>	
Try some review/exercise problems from Chapter	90
Work on current assignment	90
Work through any homework/participation points	30
	<b>~540</b> minutes/week
	<b>~9</b> hours/week

**Course Schedule (note: this is a planned schedule only; deviations may occur)**

MONTH	DATE	EXPECTED CLASS COVERAGE	REQUIRED READINGS	ASSIGNMENT COVERAGE
SEP	4	Introduction to Course; Begin Chapter 1	-Course Outline; -Roadmap; -Course Objectives	
	9	Chapter 1	-Chapter 1 (exception: 1400 - Introduction to GST/HST) -Chapter 10 (even if you don't understand everything yet...)	Assignment 1; Due Monday September 22 9pm - on cuLearn
	11	Chapter 2 - Liability for Tax	-Chapter 2 - Liability for Tax (exception: 2300 - Registration Requirements and Liability for the GST/HST)	
	16	Chapter 14 - Rights and Obligations	-Chapter 14 - Rights and Obligations (exception: 14400 onwards - Excise Tax Act)	
	18	Chapter 3 - Employment Income	-Chapter 3 (exception: 3500 - GST/HST Rebate on Employee Deductions). -Review Example 3-14 in detail. -IT470R and ITTN40.	Assignment 2; Due Tuesday October 14 9pm - on cuLearn
	23		-10015 (in Chapter 10); review example 10-1	
	25			
	30	Chapter 4 - Business Income	-Chapter 4 (exception: 4400 onwards - GST/HST Impact on Business Activity). -Review Example Problem 4-7 in detail	
OCT	2	Chapter 4 - Business Income		
	7			
	9	<b>Midterm</b>	-Study	
	14	Chapter 5 - CCA & CEC	-Chapter 5 (exception: 5400 - Capital Personal Property and the input credit system under GST/HST)	Assignment 3 Due November 3 9pm - on cuLearn
	16			

	21	Chapter 6 - Property Income	-Chapter 6 (inclusion: 6900 Supplemental Notes; you can skim section 6070 - 6120 - will do in detail later; exception: 6500 GST/HST and Property Income)	
	23	Chapter 7 - Capital Gains/Losses	-Chapter 7 (you can skim section 7400 - will do in detail later; exception: 7500 & 7600)	Assignment 4; Due Monday November 17 9pm - on cuLearn
	28	Reading Week	-Catch up on any readings missed	
	30			
NOV	4	Chapter 7 & 8 - Capital Gains/Losses	-Chapter 8	
	6			
	11	Chapter 6 & 7 (NALT & ATTR)	-Sections 6070 - 6120 and 7400 (skimmed in previous weeks)	
	13	Chapter 9 - Other Income	-Chapter 9	Assignment 5; Due Monday December 8 9pm - on cuLearn
	18	Chapter 9 - Deferred Income Plans		
	20	Chapter 10 - Computation of Taxable Income and Taxes Payable	-Read Chapter 10 again, this time, with an ability to understand it better	
	25			
	27			
DEC	2			
	4	Review/Catch up	-Catch up on any readings missed	

### Group work

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

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

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

F = Below 50      WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred (See above)

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

### Academic Regulations, Accommodations, Etc.

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

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

### Requests for Academic Accommodations

#### Academic Accommodations for Students with Disabilities

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your *Letter of Accommodation* at the beginning of the term, and no later than two weeks before

the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

- - The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2014 exam period is November 7, 2014 and for the April 2015 exam period is March 6, 2015.

*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 or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact 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 expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at <http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/>.

**Assistance for Students:**

Student Academic Success Centre (SASC): [www.carleton.ca/sasc](http://www.carleton.ca/sasc)

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

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Peer Assisted Study Sessions (PASS): [www.carleton.ca/sasc/peer-assisted-study-sessions](http://www.carleton.ca/sasc/peer-assisted-study-sessions)

**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.
  - Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from us. However, 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 CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>
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