



## **BUSI 3005 B - Taxation I Fall 2017**

### **COURSE OUTLINE**

<i>Instructor</i>	Rebecca Renfroe, CPA, CMA, MAcc
<i>Office</i>	TBD
<i>Phone</i>	TBD
<i>E-mail</i>	<a href="mailto:rebeccarenfroe@cmail.carleton.ca">rebeccarenfroe@cmail.carleton.ca</a>
<i>Office Hours</i>	Fridays 9:00 – 11:00 am And by appointment (Don't be shy!)
<i>Class Time and Location</i>	Section B  Tuesdays 8:35 – 11:25  PA 133

#### **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:
  - **Carleton Bookstore** – University Centre

“Introduction to Federal Income Taxation in Canada 38th edition with Student Study Guide, Beam, Laiken and Barnett, 2017”
- A copy of the Income Tax Act, 2017, available:
  - **Online** (note that it does not include supplementary notes) (FREE)
  - **At the Carleton Bookstore** – University Centre

“Ernst & Young’s Federal Income Tax Act 2017 (15th) Student Edition”
- Coursepack, available:
  - Soft copy on **cuLearn** (for those wishing to print it themselves, or will bring a laptop to class)
  - Hard copy for purchase from me in the first week only.
  - PLEASE COME TO CLASS PREPARED WITH EITHER A HARD COPY, OR SOFT COPY ACCESSIBLE ON A REASONABLE DEVICE (NOT YOUR PHONE)
- Course website on cuLearn: <http://www.carleton.ca/culearn>
  - Assignments
  - Additional material

#### Supplemental:

-Textbook (on reserve in Library)

Canadian Tax Principles, 2016-17 Edition, Byrd & Chen, 2016

-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/I-3.3/page-1.html>

### Method of Instruction

The format of the course consists generally of one 180 minute lecture 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

Group Assignments (4)	40%
Midterm – 90 minutes (Saturday, Nov 4 <sup>th</sup> ) (Ch 1-6, 14)	20%
Final Exam – 3 hours (during formal final exam period)	40%
	<u>100%</u>

### Group Assignments

The assignments will be due **at the beginning of class on the following dates:**

<u>Assignment #</u>	<u>Chapter Coverage</u>	<u>Due Date</u>
1	1, 2, 14	Oct 3
2	3, 4	Oct 20*
3	5, 6, 7	Nov 28
4	NALT & ATT**, 8, 9	Dec 5

\*Note NOTE due on class date but Friday before Fall Break

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

**The assignments are to be done in groups of 2-3 students. 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 60% 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 (Dec 10-22). 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. As well, this will be the key point of communication between you and me. 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. We will do my best to make the class of value to you, and in turn, we 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 us and the other students in the class and so should be avoided when possible. On a similar 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 we understand that there are times that this is a necessity). Side conversations are discouraged, however, talking to the class as a whole, is encouraged. Texting, other cell phone use, internet surfing or completing other classwork while in our class is a poor use of your time and will not be tolerated. Unfortunately, humans are not as good at multitasking as we would like to believe. Please turn your phone on silent (or off).

#### *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 below, as well as any in-class announcements to know what is expected from you at each class.

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

<b>MONTH</b>	<b>DATE</b>	<b>EXPECTED CLASS COVERAGE</b>	<b>REQUIRED READINGS</b>	<b>ASSIGNMENT COVERAGE</b>
SEP	12	Introduction to Course; Begin Chapter 1	-Course Outline; -Roadmap; -Course Objectives -Chapter 1 (exception: 1400 - Introduction to GST/HST) -Chapter 10 (even if you don't understand everything yet...)	Assignment 1 Chap 1, 2, 14 Due Oct 3
	19	Chapter 2 - Liability for Tax Chapter 14 - Rights and Obligations	-Chapter 2 - Liability for Tax (exception: 2300 - Registration Requirements and Liability for the GST/HST) -Chapter 14 - Rights and Obligations (exception: 14400 onwards - Excise Tax Act)	
	26	Chapter 3 - Employment Income	-Chapter 3 (exception: 3500 - GST/HST Rebate on Employee Deductions). -Review Example 3-14 in detail. -S2-F3-C2 - Folio on Benefits & Allowances. -10015 (in Chapter 10); review example 10-1	Assignment 2 Chap 3, 4 Due Oct 20
OCT	3	Chapter 4 - Business Income	-Chapter 4 (exception: 4400 onwards - GST/HST Impact on Business Activity). -Review Example Problem 4-7 in detail	
	10	Chapter 4 - Business Income (cont'd) Chapter 5 - CCA & CEC	-Chapter 5 (exception: 5400 - Capital Personal Property and the input credit system under GST/HST)	Assignment 3 Ch 5, 6, 7 Due Nov 28

	17	Chapter 6 & 13 - 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) -Chapter 13, Sections 13070 and 13080 only	
	24	Reading Week		
	31	Chapter 7 - Capital Gains/Losses	-Chapter 7 (you can skim section 7400 - will do in detail later; exception: 7500 & 7600)	
NOV				
	7	Chapter 8 - Capital Gains/Losses	-Chapter 8	
	14	Chapter 6 & 7 (NALT & ATTR) Chapter 9 - Other Income & Deductions	-Sections 6070 - 6120 and 7400 (skimmed in previous weeks) -Chapter 9	Assignment 4 Chap 8, 9 & NALT (6/7) Due Dec 5
	21	Chapter 9 - Other Income & Deductions Chapter 10 - Computation of Taxable	-Chapter 9	
		Chapter 10 - Computation of Taxable	-Read Chapter 10 again, this time, with an ability to understand it better	
	28	Income and Taxes Payable -and review (if we have time)		
DEC	5	Review	Catch up and Review any final materials	

Note: Midterm will be held Saturday, November 4<sup>th</sup>. Time and place to be announced in class.

## 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 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			

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](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*). **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](http://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: <http://carleton.ca/studentaffairs/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](http://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/>
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