BUSI 4005 A
Taxation II
Fall 2019

1.0 COURSE COORDINATOR, INSTRUCTOR AND TIMING

Full Professor: Francois Brouard, DBA, FCPA, FCA (course coordinator)
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Lecture:

Section	Instructor	Time
A	Lucille Perreault, MBA, CPA, CMA lucille.perreault@carleton.ca	Thursday 18:05-20:55

Teaching assistants (TA): TBD

Office hours: Thursdays 3:30-5:00

2.0 PREREQUISITES

BUSI 3005 (with a grade of C- or better)

The Sprott School of Business enforces all prerequisites.

Precludes additional credit for BUSI 2005.

3.0 COURSE DESCRIPTION

An intensive review of federal income tax laws and regulations as significant elements in the planning and decision-making process of taxable Canadian corporations. Emphasis on the tax planning function of corporate management and the associated accounting and reporting aspects.

This course deals with federal income tax laws and regulations and their impact on a corporation's financial and business decisions. Problems, issues and planning associated with the Income Tax Act are discussed as well as computations of taxable income and taxes payable by individuals, corporations, partnerships and trusts.

4.0 COURSE OBJECTIVES

Accountants cannot make intelligent business decisions without first considering the tax implications of the various alternatives. An understanding of Canadian taxation is therefore necessary in order to make those decisions.

BUSI4005 is the second of two introductory courses (with BUSI3005) 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, 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.

This taxation course is an introduction to tax principles and practices. The focus of BUSI3005 is on fundamental principles and personal income tax. The focus of BUSI4005 is on corporate income tax and some specialized topics.

5.0 METHOD OF INSTRUCTION

The format of the course consists of one 170-minute class meeting per 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 as well as all additional topics discussed in class, except for those areas specifically excluded by the instructor.

Class sessions entail a mixture of lecture, case study, problem analysis, and class discussion. The content of any lecture presumes and expects you have carefully studied the assigned reading. Lectures emphasize major topics and readings, yet you are responsible for all assigned materials. It requires active learning, which means that the student must take responsibility for the learning that takes place. You must be prepared for each class by completing the assigned problems and readings. You are encouraged to ask questions and to stimulate discussion on topics that you have difficulty understanding.

6.0 GRADING SCHEME

Your grade for the course will depend on both individual work and group work outside of the class, and classroom contributions, as outlined below:

Participation	10	(See Section 6.1)
Assignments	40	(See Section 6.2)
Final exam	50	(See Section 6.3)
Bonus marks	2	(See Section 6.4)
Total	102	

*** To pass the course, students must obtain at least 45% on the final examination in addition to other requirements.**

** Satisfactory In-term Performance

1) The requirement for Satisfactory In-term Performance is set at 50% of all pre-final term work (i.e. participation, quizzes and assignments)
2) Unsatisfactory In-term Performance in this course will lead to Failure in this course (regardless of the performance at the Final exam))

6.1 Individual Class Participation:

Class participation is highly encouraged. The intent is to have a very interactive class. Students are expected to contribute to class discussions on a constructive and regular basis. Much of your learning will occur during class and case discussions. Points will be awarded for contributions to the class which include asking thoughtful questions, helping to understand complicated ideas, suggesting reasonable alternatives, and being willing to try out new ideas. Participation may include occasional announced and unannounced quizzes.

Self-study problems in the textbook will provide the student with additional opportunity to practice the course material.

6.2 Assignments:

Four (4) assignments will be assigned throughout the course. The assignments will be composed of a selection of assignment problems from the text book. Each assignment will be worth 10% of the total marks. They may be completed individually, or in groups of two or three students. If completed in groups, only one assignment per group should be submitted on CuLearn. The cover page must include a statement signed by each student, indicating that each group member has contributed to the assignment and has respected plagiarism rules. The content of each assignment will be posted on the course website.

NO LATE ASSIGNMENTS WILL BE ACCEPTED.
MAKE-UP ASSIGNMENTS ARE NOT PROVIDED.

Be sure to keep a copy for yourself of all your assignments and reports submitted. The time limit for revision of the assignments is limited to 2 weeks after the date of return.

Graded assignments involve both technical aspects and judgment aspects. Consequently, the grading of these cases and problems has both objective and subjective components. The course instructor is committed to providing you with adequate feedback on subjective components of your grades. Additional feedback from your instructor is always available through consultations during scheduled office hours or by arrangement.

6.3 Final Exam:

A three-hour Final Exam will be scheduled during the period April 12 to the 27, 2019. The final date, time and place is to be announced. Material covered during the entire term is examinable on the final examination.

No books or papers shall be permitted in the examination room. A Tax Appendix with various information will be provided by the instructor as part of the final exam.

The only valid excuse for missing an exam or deadline is for medical reasons or death in the family and must be documented with a medical certificate. Any other reason (such as travel, etc…) will not be considered. In such circumstances, separate arrangements may be made. If you miss a deadline for a reason that is not deemed as legitimate, your mark will be zero.

6.4 Bonus Marks

As a student enrolled in BUSI 4005, you are eligible to participate in behavioural research in exchange for bonus credit in this course. You will receive 1% bonus credit for each hour of participation in a research study, up to a potential maximum of 2%. Any bonus credit earned will be added to your final grade at the end of the term. Sign-up for studies is managed via the Sprott SONA research registration system, located at https://sprott.sona-systems.com/. All students registered in this course will receive an email from "Sprott Research Study Sign-Up System" sprott-admin@sona-systems.net at the beginning of the term, containing the user ID and password that they can use to sign in. In addition to registering to take part in studies, you can use the SONA system to track your participation and ensure that your bonus credit is recorded. If you have questions, please email: behaviourlab@sprott.carleton.ca for more information.

IMPORTANT NOTE: We do not guarantee that a full 2% bonus credit will be available. Due to variations in research schedules, the number of studies offered each term will vary. In addition, since space in some studies may be limited and certain studies may only be available for a limited time, you are encouraged to register for studies as soon as they become available.

7.0 COURSE MATERIALS

7.1 Required texts

- Beam, R.E., Laiken, S. N, Barnet, J.J., Johnstone, N., Mescal, D and Robson, J.E., Introduction to Federal Income Taxation in Canada, 2019-2020, 40th Edition, Toronto, Wolters Kluwer
- CCH TaxWorks (including Federal Income Tax Act and Bulletins)
- Student problem sets
- Cantax Software for Individual (T1) and corporate (T2) tax return
- Income Tax Act - Federal Income Tax Act, CPA, 2019. [FITA]
  or Canadian Income Tax Act with Regulations, 107th edition, Wolters Kluwer, Spring 2019. [CITA]
  or Practitioner's Income Tax Act, 55th Edition, Carswell, 2019. [PITA]

7.2 Course Web site

The instructor will make extensive use of the Internet to post course materials and other announcements. A CuLearn page is used for announcements and posting of course materials. You could find the course CuLearn page at: http://www.carleton.ca/culearn/

7.3 Carleton Library Tax References:

- CCH TaxWorks - Income Tax Collection
  You must obtain a username and password from the Library Information Desk. The Library subscription is restricted to Carleton University members only.

  Content:
  - Canadian Tax Reporter (Commentaries, ITA, ITAR, regulations, IT, IC)
  - Provincial Tax Reporter [Ontario and Québec]
  - Dominion Tax Cases
  - Window on Canadian Tax
  - Canadian Master Tax Guide
  - Tax Treaties and Social Security Agreements

7.4 Supplemental References:

- Buckwold, W. and Kitunen, J., Canadian Income Taxation: Planning and Decision Making, 2018-2019 edition, Toronto, McGraw-Hill Ryerson, 2018.
- Byrd, C., Chen, I. Canadian Tax Principles, and Canadian Tax Principles - Study Guide, 2019-2020 Edition, Toronto, Prentice-Hall Canada, 2019.
- CANADIAN TAX FOUNDATION. TaxFind, Canadian Tax Foundation
- Duff, D.G., Alarie, B., Phillips, L. and Loomer, G., Canadian Income Tax Law, 6th Edition, Toronto, LexisNexis Canada, 2018.
- Edgar, T., Cockfield, A and O'Brien, M., Materials on Canadian Income Tax, 15th edition, Toronto, Carswell, 2015
- Li, J., Magee, J., and Wilkie, S. J., Principles of Canadian Income Tax Law, 9th edition, Toronto, Carswell, 2017

- Krishna, V. The Fundamentals of Canadian Income Tax, Volume 2: Corporate Tax, Toronto, Carswell, 2018.
- Magee, J. Insight into Canadian Income Tax, 2017-2018 edition, Toronto, Carswell, 2017.
- Scholes, M.S., Wolfson, M.A., Erickson, M. M., Hanlon, M.L., Maydew, E.L., and Shevlin, T.J., Taxes and Business Strategy: A Planning Approach, 5th edition, Prentice-Hall, 2014
- Brouard, F. (2019). *Note on Tax Reference List/Bibliographie en fiscalité*, April 8, 14p. https://carleton.ca/profbrouard/wp-content/uploads/noteTaxreferenceslist2019.pdf
- Tax and Accounting Web Links:
    - For CPA competency map, CPA documents, CFE reference schedule, CFE reports, CFE exam simulations: http://carleton.ca/profbrouard/taxguidefisc/
    - For tax associations, university programs in taxation, journals, government sources: http://carleton.ca/profbrouard/links/taxfisc/
    - For list of CPA firms, accounting standards, salary survey: http://carleton.ca/profbrouard/links/accounting-comptabilite/

7.5 Governmental sources

Canada Revenue Agency (CRA) / Agence du revenu du Canada (ARC)	http://www.cra-arc.gc.ca/
Department of Finance Canada	http://www.fin.gc.ca/
Department of Justice Canada	http://canada.justice.gc.ca
Tax Court of Canada (TCC)	http://www.tcc-cci.gc.ca/
Federal Court of Canada (FCC)	http://www.fct-cf.gc.ca/
Supreme Court of Canada (SCC)	http://www.scc-csc.gc.ca/
House of Commons	http:/www.parl.gc.ca/
Ministry of Finance Ontario, Tax Revenue Division	http://www.trd.fin.gov.on.ca/
Ministère des Finances Québec	http://www.finances.gouv.qc.ca/
Ministère du Revenu Québec	http://www.mrq.gouv.qc.ca/

7.6 Tax associations

Association canadienne d'études fiscales (ACEF)	
Association de planification fiscale et financière (APFF)	http://www.apff.org/

7.7 Other Carleton University resources and services

Carleton University websites

Carleton University	http://www.carleton.ca/
Eric Sprott School of Business	http://www.sprott.carleton.ca/
Carleton University Library	http://www.carleton.ca/library
Sprott Business Students' Society (SBSS)	http://www.sbsscouncil.ca/
Sprott Accounting Students' Association (SASA)	http://www.cusasa.com/

Paper Writing Guidelines
https://sprott.carleton.ca/wp-content/files/paper-and-documentation-guidelines-NP.pdf

Carleton University services

Writing Tutorial Services	215 PA
Student Life Services	501 Unicentre
Student Academic Success Centre	302 Tory
Paul Menton Centre	500 Unicentre

8.0 STUDENT PREPARATION

8.1 Background reading

Each course module contains readings about tax concepts and issues. The content of any lecture presumes and expects you have carefully studied the assigned reading.

8.2 Homework cases and problems

Students learn technical tax materials best when they have to apply them, rather than listening to lectures. Therefore, you should expect to solve problems every week. Some of the cases and problems are for self-study; solutions are provided. Some of the cases and problems will be important preparation for the class discussions. You can't expect to become a professional athlete only by watching sports on TV. It's the same thing with tax.

8.3 Aids to help you answer the questions raised by the cases and problems

These aids may take many forms. Usually there will be a list of hints to help you get started. Sometimes, there will be supplemental readings. Other times, the aids will direct you to one of the campus or local libraries to use computer databases or other reference materials to find the information you need to help you solve the cases or problems.

8.4 Suggested approach

You could look at your study habits with the following questions:

- Have you read the chapter before the lecture?
- Have you prepared your questions before attending classes?
- Have you attended class as an active learner and participant?
- Have you prepared for class as per your instructor directives?
- Have you tried to solve the recommended problems/cases?
- Have you compared your personal solutions with the solutions?
- Have you tried to understand the materials by discussing it with colleagues?
- Have you consulted TAs with your problems?
- Have you consulted your instructor with your problems?

9.0 CONDUCT

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

- *Attending the class.*
  Each class benefits from the attendance and participation of all students. Your grade for participation will be affected by absences.

- *Arriving on time.*
  Late arrivals are disruptive to both lectures and class discussion, and show disrespect to those who are on time.

- *Minimizing disruptions.*
  You should not leave and re-enter the class. You should avoid engaging in side conversations after class has begun.

- *Focusing on the class.*
  While you may take notes on laptops, do not use laptop computers or hand-held devices for other tasks while in class. Activities such as net surfing, and answering email are very impolite and disruptive both to neighbors and the class.

- *Being prepared for class.*
  You should be ready to discuss any assigned readings and to answer any assigned questions for each day's class, including being ready to open a case assigned for that day.

- *Respect.*
  You should act respectfully toward all class participants. Class participation grading reflects student adherence to these principles; students gain credit for contributing valuable insights and students lose credit if they fail to adhere to any of the above guidelines.

- *Cellular Phones*
  The use of cellular phones IS NOT PERMITTED in this class. It is disruptive to the instructor and class members. If you carry a phone to class, please make sure it is turned off. If an emergency situation requires you to keep your cell phone turned on you may wish to keep the silent mode on, please discuss this with the instructor prior to the class starting.

10.0 ATTENDANCE POLICY

Regular class attendance is important and required. I expect you to attend class and contribute to a quality discussion. Class and team discussion of the materials (e.g., readings, assignments, and cases) are an important part of the learning process. If circumstances prevent attendance at a class meeting, please remember that you are responsible for all materials discussed, handouts distributed, assignments covered, and announcements made.

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11.0 CHANGES TO THE SYLLABUS:

A syllabus is a tool to help you plan your time. Every effort is made to make the syllabus as complete as possible, but there may be occasions when changes are required. The instructor will announce any deviations from the syllabus in class and the change will be posted on the course web page.

BUSI 4005 A - SUMMARY OF SCHEDULE – Fall 2019

Week	Date	Topic/s	Chapter/s	Due
1	12 Sept 2019	• Introduction to Course • Overview of Net Income and Taxable Income	11	
2	19 Sept 2019	• Taxable Income and Tax Payable for Corporations • Corporate Tax Components	11,12	
3	26 Sept 2019	• Taxable Income and Tax Payable for Corporations • Corporate Tax Components	11,12	Assignment #1
4	03 Oct 2019	• Taxable Income and Tax Payable for Corporations • Associated, Related, Connected, and Affiliated Corporations	11, 12	
5	10 Oct 2019	• Planning the Use of a Corporation and Shareholder-Manager Remuneration • GAAR	13	
6	17 Oct 2019	• Corporate Distributions	15	Assignment #2
7	24 Oct 2019	**Winter Break – No Classes**		
8	31 Oct 2019	• Corporate Reorganizations	16	
9	07 Nov 2019	• Corporate Reorganizations, continued	15, 16, 17	Assignment #3
10	14 Nov 2019	• Sale/Purchase of a Business • Harmonized Sales Tax (HST)	15, 20	
11	21 Nov 2019	• Harmonized Sales Tax (HST)	20	
12	28 Nov 2019	• Partnerships and Trusts	18	Assignment #4
13	05 Dec 2019	**Review class**		
		9 to 21 December 2019 FINAL EXAM		

IMPORTANT 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 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**

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 is 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
Ethics and values are very important in accounting and the world of business, non-profit and government organizations. We will consider ethical issues in accounting throughout this course. Ethics and values are also important in education. Instructors will assume, unless there is evidence to the contrary, that you are an ethical student. To help you fulfill your ethical responsibilities as a student, the ethical standards for this course are listed below.

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include; a grade of Failure on the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: https://carleton.ca/registrar/academic-integrity/.

Sprott Student Services
The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you are having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! http://sprott.carleton.ca/students/undergraduate/learning-support/

Centre for Student Academic Support
The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: carleton.ca/csas.

Important Information:
- Students must always retain a hard copy of all work that is submitted.
- All final grades are subject to the Dean's approval.
- For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, in order to respond to your inquiries, please send all email from your Carleton CMail account. If you do not have or have yet to activate this account, you may wish to do so by visiting http://carleton.ca/ccs/students/