



**ACCT 5122 Issues in Taxation
Summer 2019
COURSE OUTLINE
Thursdays 11:35 – 14:25
Canal Building 3400**

Course Instructor

Rebecca Renfroe
Sprott School of Business, Carleton University
Room 1704, Dunton Tower
Phone (613) 520-2600, ext. 4226
email:rebeccarenfroe@carleton.ca

Office Hours: By appointment (don't be shy!)

Course Calendar Description

This course will provide students additional knowledge in Canadian Federal Taxation required in the MAcc program. Emphasis on corporate income tax and some specialized topics. (0.25 credit)

Course Prerequisites: Permission of the School

Course Material

Required Texts

Basic material:

- Beam, R.E., Laiken, S.N, et at, Introduction to Federal Income Taxation in Canada and Introduction to Federal Income Taxation in Canada – Study Guide, 2018-2019, 39th ed., Toronto, Wolters Kluwer Canada.

Note: Another textbook could be used (Byrd & Chen for example). There is no need to go and purchase a new text if you have a fairly recent one, however, a reference text for tax will be necessary as you continue your studies. We will discuss this in the first class.

- Cases and notes from the professor will be posted in cuLearn for the course.

Supplementary material:

- *Canadian Income Tax Act with Regulations*, last edition.
Options:
 - *Income Tax Act*. (included in CPA Canada material)
 - *Income Tax Act*. (free version from Government of Canada website)
<http://laws-lois.justice.gc.ca/eng/acts/I-3.3/>
 - *Canadian Income Tax Act with Regulations*, 105th ed., Wolters Kluwer, Autumn 2018. [CITA] (bi-annually)

Course Web page

The instructor will make extensive use of cuLearn to post course materials and other announcements. You could find the course CuLearn page: <http://carleton.ca/culearn/>

Carleton Library Tax References

Wolters Kluwer TaxWorks - Income Tax Collection

You must obtain username and passwords from the Library Information Desk. The Library subscription is restricted to Carleton University members only.

Contents:

- 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

COURSE OVERVIEW AND OBJECTIVES

Due to CPA requirements and courses content varying from one university to another, some students, especially those with only one taxation course, may have a gap in their taxation knowledge. This course is designed to provide an opportunity for students to gain additional knowledge in Canadian taxation to be successful in the MAcc.

There are two undergraduate taxation courses in the Sprott School of Business. The focus of BUSI3005 (Taxation I) is on fundamental principles and personal income tax. The focus of BUSI4005 (Taxation II) is on corporate income tax and some specialized topics. Table A provides a summary of undergraduate taxation coverage at Sprott and topics included in each course. It is these topics that we expect all MAcc students to have a firm knowledge of before beginning the taxation course(s) in the program.

The two taxation courses 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 cases application.

METHOD OF INSTRUCTION

Taxation in the Master of Accounting (MAcc) program will be specifically covered in ACCT5120 (Advanced Concepts I (core 1)) and ACCT5123 (Advanced Taxation) plus integration in other courses. All students admitted in the MAcc program have the minimum CPA entry level knowledge. However, all students should have a more similar level of knowledge. ACCT 5122 will ensure all students are on the same playing field when it comes to basic taxation knowledge.

The format of the course consists generally of one 170-minute class meetings per session. 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, problem analysis, and class discussion. The content of any lecture presumes and expects you have carefully studied the assigned reading. It requires active learning, which means that the student must take responsibility for the learning that takes place. You must do the cases and readings assigned and be prepared for each class. You are encouraged to ask questions and to stimulate discussion on topics that you have difficulty understanding.

GRADING SCHEME

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

Individual Class Engagement (Participation and Preparation)	20%
Assignments	20%
Final Exam *	60%
TOTAL	<u>100%</u>

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

Individual Class Engagement (Participation and Preparation):

Participation 30%

30% of the Individual Class Engagement mark will be based on attendance. That is, literally for getting yourself to class each week. If you show up, you get the mark.

Preparation 70%

70% of the Individual Class Engagement mark will be based on preparation for class.

You will be asked to prepare a short case based on the new topic for each class. The listing will be posted on cuLearn, and is also in this outline. A hard copy must be brought to class each week and will be graded. Points will be based on effort level and not just “getting it right” as I am well aware that you are all still learning. The point of this exercise is to ensure that you are 1) keeping up and 2) able to fully participate in class.

No late submissions will be accepted. If you miss a class, you miss the opportunity to get the grades for that class.

The intent is to have a very interactive class. Accounting is not a spectator sport, and it is my experience that the easiest way to remember a subject is to practice using the concepts. Much of your learning will occur during class and case discussions. If you have adequately prepared before class, then our in-class time should be almost seen as a 3-hour study session.

Assignments:

There are three assignments in this course due by 11:55pm on May 19th, May 29th, and June 12th. You will find the assignments and the associated Dropbox to submit the assignments are posted on cuLearn. The assignments must be completed individually. By submitting their assignment, each student declares that the work submitted is their work, not someone else's answers and understanding and compliance with Carleton plagiarism and instructional offenses rules.

You are in the process of training to become CPAs, ethics matters, rules matter, and I take cheating/plagiarism very seriously. You should as well.

If it is not submitted by the due date, it will be considered late and subject to a 100% penalty. Graded assignments involve both technical aspects and judgment aspects. Consequently, the grading of these cases and problems has both objective and subjective components. I will do my best to explain the reasoning of grades, and will provide a marking rubric for you to check your assignments on your own to see where errors were made. I am human, and mistakes are sometimes made, so if you wish to have me review an assignment, the time limit for revision of the assignments is equal to 2 weeks after the date of return.

Final Exam:

The final exam (4 hours) has been scheduled for June 27th at 9:00am in AP132. It will be comprehensive in nature and will cover the whole course. Only non-programmable calculators (without alpha storage capabilities) will be permitted for use during examinations. The format of the final exam may consist of questions that will require both qualitative and quantitative analysis. My general rule is, "if it was covered in class, it is fair game for the final." A Tax Appendix with various information will be provided for the final exam. A copy of the Tax Appendix can be found on cuLearn.

EXAM POLICY

University Policy will be strictly adhered to.

The only acceptable reason for missing the exam is illness supported by a medical certificate. Please note that there is a formal university policy that governs the administration of deferred exams.

STUDENT PREPARATION

Background reading

Each class we will be covering a new topic or topic(s). The outline contains readings about various tax concepts and issues. Do I expect you to read each chapter in detail and memorize it before each class? No. If you have covered the topic already, I think a quick glance to refresh the concepts would be helpful. If the topic is new, then you may want to spend some time and read over it at least once. The content of any lecture presumes and expects you have looked at the assigned reading and have a decent understanding of what we will be covering. Depending on the topic, your required time will vary.

Homework cases and problems

In my experience, students learn technical tax materials best when they have to apply them, rather than listening to lectures. You should expect to solve problems every week. Some of the cases and problems will be important preparation for the class discussions (which affect your individual participation points). Some of the problems, which we will cover in class, will be for your own self-study after class and will help prepare you for the final.

Suggested approach

I would recommend the following approach to this course, as I feel it would be the best use of your very limited study time.

Before Class:

Review the chapter(s) on the topics that will be covered in class.

Prepare case for weekly submission for participation grades.

Read any "Notes" posted on the topic on cuLearn.

After Class:

Begin by going over what was done in class, i.e. review the slides.

Re-do all problems, questions and cases covered in class. Try on your own without the solution. This is the best way to test your understanding of the topic.

If you are having trouble with a topic, look to your textbook and study guide.

Review any questions in the study guide on the topic to solidify your understanding.

Before the Final:

Review any study notes you have made for the term.

Review your assignments and try and re-do all questions.

Review all weekly cases you submitted and, again, try and re-do all questions.

Review all in-class problems and cases we did together.

Seeing a trend? Practice, practice, practice makes perfect.

I am around all term and am happy to set up an appointment to meet with you at any time. Don't be shy! E-mail your questions, or make an appointment to come to my office.

I cannot learn this for you, I cannot write your exam. You have to do the work. However, I do promise that I will do everything I can to help you on the way. There are lots of resources available, make sure you are using them.

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: <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: <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 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:
<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

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: <https://carleton.ca/registrar/academic-integrity/>

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/>

Important dates and deadlines

<https://sprott.carleton.ca/students/mba/dates-deadlines-policies/>

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.

ACCT 5122 - ISSUES IN TAXATION
SUMMARY OF SCHEDULE
Summer 2019

Session		Topics	Readings and Submissions (BLB references Beam textbook)
S1	May 9	Introduction to Course Overview of Net Income, Taxable Income and Tax Payable for Corporations	BLB: chap. 11,12 Case NIOR
S2	May 16	Tax Payable for Corporations Related and Affiliated Persons Associated and Connected Corporations	BLB: chap. 7,12,16 Case GLOBAL Assignment 1 (May19)
S3	May 23	Corporate Distributions Concept of Integration and Dividends	BLB: chap. 12, 15 Case DeeRed
S4	May 30	Corporate Reorganizations	BLB: chap. 15,16 Case Beethoven Assignment 2 (May 29)
S5	June 6	Corporate Reorganizations Harmonized Sales Tax (HST)	BLB: chap. 16,17, (13)
S6	June 13	Partnerships Trusts General anti-avoidance rule (GAAR)	BLB: chap. 13, 18 Case Heil, Klassen & Hughes Assignment 3 (June12)

TABLE A - SUMMARY OF UNDERGRADUATE TAXATION COVERAGE AT SPROTT

Weeks	Topics	BUSI 3005 Chapters	BUSI 4005 Chapters	CPA Entry Level
1	Introduction to Canadian Tax System	1		C
1	Tax Policy and Legislation Principles of Tax Planning Liability for Tax / Residency Net Income for Individuals	2		B B
1	Procedures and Administration	14		B, C
1 ½	Income from an Office or Employment	3		B
2	Income from a Business Capital Cost Allowance and Cumulative Eligible Capital	4 5		B B
1	Income from Property Other Income and Other Deductions	6 9		B B
1 ½	Capital Gains and Capital Losses	7, 8		B
1	Deferred Income Plans Non arm 's length transactions Income attribution	9 8 8		C B B
2	Taxable Income and Tax Payable for Individuals	10		B
3	Net Income for Corporations Taxable Income and Tax Payable for Corporations Corporate Tax Com ponents		11, 12	B B B
½	Concept of Integration and Eligible Dividends		12	C
½	Associated and Connected Corporations Related and Affiliated Persons		12	B
1	Tax Planning - Use of a Corporation Tax Planning - Shareholder- Manager Rem uneration GAAR		13	C C C
1	Corporate Distributions		15	B

2 ½ ½	Corporate Reorganizations Sale / Purchase of a Business Estate Freeze		15, 16, 17	C - -
1	Harmonized Sales Tax (HST)		various	B
1	Partnerships and Trusts		18	C
1	Tax Planning			C

Note:

- The weeks column represents the number of weeks related to each topic (12 weeks for each course).
- The topics column refers to the titles in the Sprott course outline.
- The chapters column corresponds to Beam et al. textbook chapters for each taxation course (3005 and 4005).
- The CPA Entry Level is estimated from the *CPA Competency Map Knowledge Supplement* published by CPA Canada in 2018.