

Issues in Taxation ACCT 5122 Summer 2021

Instructor: Rebecca Renfroe
Email: rebeccarenfroe@cunet.carleton.ca
Phone: 613-520-2600, ext. 4226
Office: 7037 Nicol Building
Office Hours: By appointment. I can set up a Zoom at any time. Don't be shy to ask for help!

Class Time: Thursdays 14:30 – 17:30

Modality: 1.5 hours asynchronous
1.5 hours synchronous

Course 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 Overview & Objectives

Due to course 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.

In other words, ACCT 5122 should be seen as a “catch up” course to allow those students who are lacking in tax education to be in the same place as their classmates when approaching tax in the MAcc. In our experience, most students taking 5122 are lacking Corporate tax knowledge, as well as knowledge about certain tax planning opportunities. This course will focus on those two aspects of tax.

Method of Instruction

The format of the course will be a hybrid of synchronous and asynchronous learning. Prior to each class, students will be required to watch lecture videos (I try to keep them short and mildly entertaining) that will take roughly an hour in total. The remaining two hours of weekly class time will be us meeting together to work through problems and cases that will be assigned ahead of time.

Due to time constraints, not all 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 will be held via Zoom at 2:30pm on Thursdays, and will take about 2 hours, depending on how long it takes us to cover the cases. Bring to class your questions about this week's topic as well as your prepared cases.

To me, the amount of work you put in ahead of class will directly affect what you get from our time together. If you have worked through the videos, clarified any topics by reading your previous notes or a textbook on the material, and then attempted the problems/cases before class, then our time together should be a 2-hour study period.

Grading Scheme

Your grade for the course will be calculated as outlined below:

Individual Class Engagement (Participation and Preparation)	10		
Assignments	40		
Final Exam	* 50	TOTAL	
	<hr/>		
	100		
	<hr/>		

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

The grading scale used to calculate your final grade will be the one listed in the Carleton University Graduate Calendar:

A+	90 - 100	B+	77 – 79	C+	67 – 69	D+	57 – 59
A	85 – 89	B	73 – 76	C	63 – 65	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 the final exam					
DEF	=	Deferred					

All final grades are subject to the Dean's approval.

Drop Course Policy: The deadline for academic withdrawal is the last day of classes (each term).

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 case/reading/etc. for each class. The listing will be posted on Brightspace and is also included in this outline. **A soft copy must be submitted to Brightspace BEFORE class each week.** Points will be based on effort level and not just “getting it right” as I understand 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.

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 cases discussions. If you have adequately prepared before class, then our in-class time should be almost a 2-hour study session.

Assignments:

There are three assignments in this course due May 14th, June 2nd and June 18th. You will find the assignments and the associated Dropbox to submit the assignments are posted on Brightspace. The assignments are cases and 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.

Assignments are to be submitted electronically on Brightspace by the due date at 11:55pm. If it is not handed- in before 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 (2 hours) will be held June 24th at 13:00 EST. It will be comprehensive in nature and will cover the whole course. The format of the final exam may consist of case studies and objective questions. Material covered during the entire term is subject to be on the final examination. The exam will be online and open book.

Required Materials:

Suggested Textbooks

Basic material:

- BEAM, R.E., LAIKEN, S.N., BARNETT, J.J., JOHNSTONE, N., MESCALL, D., ROBSON, J.E. Introduction to Federal Income Taxation in Canada and Introduction to Federal Income Taxation in Canada – Study Guide, 2020-2021, 41st ed., Toronto, Wolters Kluwer Canada.

Note: Another textbook could be used. **There is no need to go and purchase a new text if you have a 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 Brightspace 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/>
- *Federal Income Tax Act*, 18th ed., CPA Canada, 2020. [FITA] (annually)
- *Canadian Income Tax Act with Regulations*, 107th ed., Wolters Kluwer, Autumn 2020. [CITA] (bi-annually)

Note: The Income Tax Act is part of the CPA Handbook that is available online through the Library.

Course Web page

I will use Brightspace to post course materials and other announcements. All cases, notes, PowerPoint files, assignments, exams will be found here. As well, I will communicate to you through the Announcements tab of the page. Please subscribe to the announcements so that you receive an email when I post something. It will be my sole way of communicating with you, and it is important you have regular updates on the course.

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. Once you decide to defer an exam, it is out of my hands.

Course Sharing Websites

Student or instructor 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).

Student Preparation

Background reading

Each week contains readings about tax concepts and issues. The content of any lecture presumes and expects you have carefully studied the assigned reading. Depending on how deeply you covered the topic in your undergrad course(s), some weeks will require a quick brush up on old concepts that may be forgotten, and some weeks will be brand new. I cannot tell you how much effort will be needed, as it will depend on your experiences (and memory!) before you came into my class.

For each week, there are the assigned readings in the textbook, which cover the topic in question. If you do not have the Beam/Laiken text, then simply find the topic in your own textbook and brush up on it there. As I said earlier, it really is not important which text you have, as long as you are keeping up on learning.

Furthermore, there will be “notes” which have been prepared by another professor here at Sprott (Thank you Prof. Brouard). These are summary notes on the topics in question. To me, they are not enough if you have never covered a topic. They are meant as an overview or maybe even study notes. Therefore, do NOT rely on these solely for your learning – they are there to supplement it.

Homework cases and problems

Students learn technical tax materials best when they must apply them, rather than listening to lectures. So, 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 (which affect your individual participation points).

There is a lot of “doing” in this class, so be prepared.

Suggested approach

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

- Have you got an overview of the chapter before the lecture?
- Have you prepared cases 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 read the chapter(s)?
- 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 tried to ask your question by sending a question on Discussion forum (Brightspace)?
- Have you consulted your instructor with your problems?

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.

Individual Assignments

All work is to be performed exclusively by the individual student. While I feel it is fine for students to discuss their assignments, that is to bounce ideas off of each other, each student must prepare and submit assignments on their own.

Examinations

All exams must be the exclusive work of the individual student. No communication during exams is allowed. Period.

Plagiarism

The University's Senate defines plagiarism in the regulations on instructional offences as: "to use and pass off as one's own idea or product work of another without expressly giving credit to another."

Penalty for academic integrity violations

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 in 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://www2.carleton.ca/sasc/advisingcentre/academic-integrity>

All academic integrity violations must be reported.

Conduct in Class

Professional conduct is built upon the idea of mutual respect. This does not disappear just because we are able to participate virtually. While the below was written for in-person classes, all of it still applies in the Zoom setting. 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. 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.

- *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.

Changes to this 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 2021

Sessions		T o p i c s	Readings and Submissions (see weekly memos for more details)
	Thursdays (14:30 – 17:30) Online		BLB = Beam, Laiken and Barnett textbook
S1	May 6 th	Introduction to Course Net Income, Taxable Income, Tax Payable for Corporations	BLB: chap. 11 & 5 Case NIOR – submit to Brightspace before class
S2	May 13 th	Non-arms' Length Transactions CCA overview/review Related and Affiliated Persons Associated and Connected Corporations	BLB: chap. 5, 8 & 12 Assignment 1 – due May 14th @ 11:55pm Case LASSO Inc. – submit to Brightspace before class
S3	May 20 th	Paid-Up Capital & the Capital Dividend Account Corporate Distributions Concept of Integration and Dividends	BLB: chap. 12, 15 Case PIERRE PUC – submit to Brightspace before class
S4	May 27 th	Corporate Reorganizations Wind Ups	BLB: chap. 15, 18 Assignment 2 – Due June 2nd @ 11:55pm Case WENDY WINDY – submit to Brightspace before class
S5	June 3 rd	GST/HST Partnerships	BLB: chap. 19, 21 Case Heil, Klassen, Hughes – submit to Brightspace before class
S6	June 10 th	Trusts General Anti-Avoidance rule (GAAR) Review Class	Note on GST/HST BLB: chap. 19 Assignment 3 – Due June 18th
	June 24th 1:00pm EST Online Final		Final Exam

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	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 Remuneration 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 the *CPA Competency Map Knowledge Supplement* published by CPA Canada in 2012.

Contribution to Learning Goals of the Program ([MAcc](#)):

Program Learning Goal	Competencies Not Covered	Competencies Introduced (only)	Competencies Taught But Not Assessed	Competencies Taught and Assessed
CHECK (X) ONE PER ROW				
MA1 Technical Competencies <i>Graduates will possess the technical abilities expected of professional accountants in all functional areas.</i>				X
MA2 Problem-Solving and Decision-Making <i>Graduates will be skilled in problem-solving and decision-making.</i>				X
MA3 Enabling Competencies <i>Graduates will possess the essential skills of a professional accountant including professional and ethical behaviour, communication, self-management, and teamwork and leadership.</i>			X	

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).

Recommended Calculator for 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. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, followership and other group skills. Group assignments are also an effective way to learn integrative skills for putting together a complex task. Your professor may assign one or more group tasks, assignments, or 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.

(If peer evaluation will be used as an input when assigning grades to group work, specify the procedure. An example appears below.)

Peer Evaluation for Group Work

To deter social loafing and ensure fairness in grading, you will be asked to assess the contribution of your fellow group members. This information will be used when assigning the grade for the final project. The procedure is as follows: Each student should take 100 points and allocate those points to the various members of the group (including him or herself) to reflect the contributions made by each member. For instance, if there are four members in a group and everyone contributed equally, each individual would receive 25 points. Conversely, if an individual contributed relatively little, the remaining group members might allocate few points to that member. To ensure that these peer evaluation scores are reasonable and free from personal bias, you will be asked to provide a detailed written explanation for your point allocation.

Letter Grades:

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	F = Below 50
A = 85-89	B = 73-76	C = 63-66	D = 53-56	
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52	

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:

<https://calendar.carleton.ca/grad/gradregulations/>

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**

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 Obligations**

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>

- **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. <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: <https://carleton.ca/sexual-violence-support/>

- **Student Activities**

Carleton University recognizes the substantial benefits, to both the individual student and the university, that result from participating in activities beyond the classroom experience. Reasonable accommodation will 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: <https://students.carleton.ca/course-outline/>

Academic Integrity:

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—are a serious academic offence, 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: <https://carleton.ca/csas/>

Other 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 can do so by visiting <https://carleton.ca/its/get-started/new-grad-students/>