

Master in Accounting (MAcc)

COURSE OUTLINE

Advanced Taxation
ACCT 5123

(sections P = part-time; A = full time; B = full time)

Summer 2018

1.0 COURSE COORDINATOR, INSTRUCTOR AND TIMING

François BROUARD, DBA, FCPA, FCA
Professor and Director SCSE-CSES
(instructor and course coordinator)
Sprott School of Business, Carleton University
Room 1725, Dunton Tower
email: francois.brouard@carleton.ca Twitter@ProfBrouard
Twitter@taxGUIDEfisc
Twitter@SCSE_CSES

Phone (613) 520-2600, ext. 2213
<http://carleton.ca/profbrouard/>

Lectures: 3 hours per session for 12 sessions (see schedule for each section)

2.0 COURSE DESCRIPTION

Canadian taxation and financial planning issues regarding personal and business decisions involving individuals, corporations, partnerships and trusts.

Prerequisite: ACCT 5120

3.0 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.

In the undergraduate program at Sprott, two courses exist in the BCom program. 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 some specialized topics.

Taxation in the MAcc program will be specifically covered in ACCT5120 (Advanced Concepts I (core 1)) and ACCT5123 (Advanced Taxation) plus some integration in other courses. ACCT5122 is also required for some students with only one tax courses in their undergraduate program. During this advanced taxation course ACCT 5123 (Advanced Taxation), the focus is on tax and financial planning and decisions.

ACCT 5123 is designed to achieve the following objectives:

- (1) to apply the tax law in practical problems and case settings,
- (2) to apply tax planning concepts through cases application,
- (3) to explain the theoretical concepts behind the specific provisions of the law, and
- (4) to interpret the tax law, taking into account the specific wording of the provisions, judicial decisions and the Canada Revenue Agency's (CRA) position.

In addition to specific technical taxation CPA competencies and knowledge (see Appendix A from the CPA Competency Map and Appendix B from the CPA Competency Map Knowledge Supplement – at the elective level), the course will integrate and focus on some enabling competency areas (see Appendix C for a description):

- Professional and Ethical Behaviour
- Problem Solving and Decision Making
- Communication

The objective of this course is to equip candidates with the competencies necessary to provide taxation services and guidance. The scope includes assisting individual and corporate entities to minimize taxes and meet their objectives while remaining in compliance with tax laws and regulations. The candidate learns to address compliance and tax-planning issues for both individuals and corporate entities, as well as, to a lesser extent, partnerships and trusts. Candidates also learn to go beyond the presenting issues and consider the broader circumstances and risk tolerance of all stakeholders involved. In addition, candidates develop competence in the areas of tax governance, controls, and risk management, in recognizing the interrelationship between financial reporting decisions and taxation, and in recognizing the importance of taking taxes into account when making business and investment decisions.

4.0 METHOD OF INSTRUCTION

The format of the course consists generally of twelve 170-minute class sessions over a number of weeks. Due to time constraints not all topic material will be covered in class. Students are responsible for the entire content of each topic 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 class presumes and expects you have carefully prepared the cases and studied the assigned reading. It requires active learning, which means that the student must take responsibility for the learning that takes place. You must prepare the cases (ex: previous CFE/UFE questions, instructor's cases) and readings assigned to be ready for each class. You are encouraged to ask questions and to stimulate discussion on topics that you have difficulty understanding.

5.0 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:

Individual Class Engagement / Participation	10	(see section 5.1)
Cases Preparation and Assignments	50	(see section 5.2)
Final Exam (four hours)	*	40 (see section 5.3)
TOTAL	**	<u>100</u>

* **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, not each, pre-final term work (i.e. assignments, participation marks, quizzes, etc.).
- 2) Unsatisfactory In-term Performance in this course will lead to Failure in this course (regardless of the performance at the Final exam)

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

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

5.1 Individual Class Engagement / Participation:

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 cases discussions. Points will be awarded for contributions to the class. Class participation points are not awarded exclusively for "good" answers to questions. Contributions to the class also include asking thoughtful questions, helping to understand complicated ideas, suggesting reasonable alternatives, and being willing to try out new ideas. Individuals may also be asked to present from time to time as part of the individual participation component. Participation may also include occasional announced and unannounced quizzes.

5.2 Cases Preparation and Assignments:

One of the most important requirements for this course is a thorough preparation and analysis of the assigned cases and reading material. Each student is expected to prepare cases before each class. Cases are to be completed individually, with certain exceptions in small group.

Students' working papers (answers to be submitted) will attest the attempts made by the student to learn the concepts and solve the cases. The learning will focus more on the thought process in identifying (including priority), analyzing and solving taxation situations. In order to derive maximum benefit from the cases, it is essential that you mentally 'get inside' the case situation.

From all the cases that need to be prepared, some cases (5) will be selected as assignments and the best 4 out of 5 cases selected as assignments will be counted towards the final grade. More information will be provided in class.

Hand-in Assignment in cuLearn per the schedule provided. If it is not handed-in before the due date, it will be considered late and subject to a 100% PENALTY

More information on the content of the cases will be provided in cuLearn as the course progress. As an advanced course in taxation, assignments will build on all taxation knowledge at the CPA entry and core levels with a focus on topics for the elective level. Self-study problems in the textbook will also provide students with additional opportunity to practice the course material.

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

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

Answers must be submitted as an electronic copy (PDF) using a word processor (or Securexam) with clear identification of the case name and student name.

... content of solution ...

(date) 2018

1 / 2

By submitting your case, you acknowledge and agree with the following statement:

I agree that if this Assignment is not hand-in before the due date to the instructor, it will be considered late and subject to a 100% penalty. I declare that the work submitted herewith is my work, not someone else's answers. The product of my work is not shared with any students. I understand Carleton plagiarism and instructional offenses rules and Sprott MAcc Code of conduct.

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

For interested students and under certain conditions, it is possible to replace the marks of some assignments with the mark on the production of a paper in a competition on a tax subject. However, a written agreement should take place between students and the instructor in the first sessions of the class. A strong commitment is required. The substitution will add to student's workload. The grade on the research assignment may replace some assignments.

CTF (Canadian Tax Foundation)

Student paper award

<http://www.ctf.ca/> (under About CTF and CTF Writing Awards)

5.3 Final Exam:

A four-hour Final Exam will be scheduled on June 25, 2018 (for section P) and August 24, 2018 (for sections A and B). Final time and place will be announced later. No exceptions will be made for students with conflicting travel plans during the exam time. Material covered by the CPA Competency Map is subject to be on the final examination. Access to material will be similar to CPA Common Final Examination. No books or papers shall be permitted in the examination room. A Tax Appendix with some information will be provided by the instructor as part of the final exam. SecurExam will be used.

6.0 OFFICE HOURS

Instructors office hours (without and with appointment) will be announced in class and posted on the course website. A note will also be posted beside Instructor office door. Individual consultation will be offered.

Teaching assistants may be available for consultation depending on budget allocation. Days, times and location will be announced in class by the instructor and posted to the course website, if any.

7.0 COURSE MATERIALS

7.1 Required Texts

- BEAM, R.E., LAIKEN, S.N., BARNETT, J.J. Introduction to Federal Income Taxation in Canada and Introduction to Federal Income Taxation in Canada – Study Guide, most recent available, Toronto, Wolters Kluwer.
 - (with CD-ROM) Cantax Research Library, Problems Sets with Solutions and Cantax Software for Individual (T1) and corporate (T2) tax return
- Income Tax Act. [ITA] (available in CPA Canada material or print copy)

- BROUARD, F. Exams Preparation Guide in Taxation for CPA (July 2015 and May 2018 edition) (with CFE 2017 addendum), Ottawa, IPSO FACTO consultants inc. (available for purchase from the professor in the first class).
- BROUARD, F. Canadian Tax Summary of Knowledge (2018 edition), Ottawa, IPSO FACTO consultants inc. (available for purchase from the professor in the first class).

7.2 Course Web page

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:

<http://www.carleton.ca/culearn>

See also

<http://carleton.ca/profbrouard/taxguide/fisc/>

<http://carleton.ca/profbrouard/links/taxfisc/>

7.3 Carleton Library Tax References

CPA Canada Tax Suite Premium (Virtual Professional Library)

The Library subscription is restricted to Carleton University members only.

7.4 Supplemental References

See Bouard, F. (2016). *Note on Tax References List / Bibliographie en fiscalité*, 9p.

7.5 Other Carleton University resources

Carleton University websites

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

Sprott Paper Writing Guidelines

http://www.sprott.carleton.ca/student-services/resources/printable/documentation_guide.pdf

8.0 COURSE SHARING WEBSITES

Student or professor 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).

9.0 EMAILS

Please read the note Discussion forum and emails on cuLearn.

Note that the Sprott School of Business requires that correspondence with professors be carried out through your Carleton email account only.

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, it would be easier to respond to your inquiries if you would send all email from your Carleton 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/>

10.0 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. 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.
- *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.

11.0 STUDENT PREPARATION

11.1 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.

11.2 Homework cases and problems

Students learn technical tax materials best when they have to apply them, rather than listening to lectures. So, you should expect to solve problems in every session. 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). You can't expect to become a professional athlete only by watching sports on TV. It's the same thing with tax.

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

These aids may take many forms depending on requests in CuLearn discussion forum. It could be a list of hints to help you get started or progress. 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.

11.4 Suggested approach

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

- Have you got an overview of the topic/chapter before the lecture?
- Have you read the notes/slides 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 notes/chapter?
- 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 (CuLearn)?
- Have you consult your instructor with your problems?
- Have you consulted TA's with your problems, if any?

12.0 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.

12.1 Graded Group Assignments

All work is to be performed exclusively by the members of the group and all group members must contribute their fair share to each assignment. If outside research is performed, sources are to be cited and information discovered via outside research is to be clearly labeled as such. If outside research is performed, the products of your research are not to be shared with any student who is not a member of the group. If individual assignment, this mean only you as the group.

12.2 Examinations

All exams must be the exclusive work of the individual student.

12.3 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."

12.4 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.

13.0 EXAM POLICY

University Policy will be strictly adhered to.

Note: Supplemental and grade raising exams are not available in this course.

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.

14.0 REQUIRED CALCULATOR IN BUSI COURSE EXAMINATIONS

Only Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP12C (including Platinum model) and HP10bII, Staples Financial Calculator, Sharp EL-738C & Hewlett Packard 10bII calculators will be permitted in all Business course examinations. Those calculator are available in the campus bookstore and at various other off-campus retail stores.

15.0 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. If you have a group assignment, you may find useful the resources at http://sprott.carleton.ca/academic_programs/groupwork.html

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.

16.0 DEFERRED FINAL EXAMINATION

Students unable to write a final examination because of illness or other circumstances beyond their control must contact the instructor in writing to request a deferred exam. Permission may be granted when the absence is supported by a medical certificate and/or appropriate document(s) to support the reason for the deferral. Deferred exams are not granted for students who have made travel arrangements that conflict with examination schedule.

17.0 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.

18.0 REQUESTS FOR ACADEMIC ACCOMMODATIONS

18.1 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 the PMC, 613-520-6608 or 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. For PMC information, please refer to <http://www.carleton.ca/pmc/>

18.2 For Religious Obligations

Students requesting academic accommodation on the basis of religious observance 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.

18.3 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.

19.0 DROP COURSE POLICY

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

20.0 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 cuLearn page.

ACCT 5123 – ADVANCED TAXATION – SUMMARY SCHEDULE
Summer 2018 (section P – part-time)

			Session (18h00-21h00)	Room	Topics
S1P	Mo	May 7	CB 2202	CB 2202	Introduction to Course General concepts and Principles of Taxation Net Income, Taxable Income, Tax Payable
S2P	Th	May 10			Legal Form and Structures Trusts Partnership Stakeholder Relationships
S3P	Mo	May 14			Personal Financial Planning GST/HST
S4P	We	May 16			Sources and Computation of Taxable Income a) Sources and types of income Income from an Office or Employment
	Mo	May 21			No class
S5P	We	May 23			Income from a Business Income from Property b) Capital Cost Allowance c) Cumulative Eligible Capital d) Taxable capital gains and allowable capital losses e) Other Income and Other Deductions Deferred Income Plans
S6P	Mo	May 28			Computation of Taxes Payable - Tax Payable for Individuals - Tax Payable for Corporations
S7P	We	May 30			Tax Planning for Corporations and Individuals a) Owner-manager tax planning b) Business structure planning Succession and Estate Planning
S8P	Mo	June 4			Tax Planning and Integration
S9P	We	June 6			Tax Planning and Integration
S10P	Mo	June 11			Tax Planning and Integration
S11P	We	June 13			Tax Planning and Integration
S12P	Mo	June 18	Tax Planning and Integration		
	Th	June 21	CB 2202	Review, if needed	
	Mo	June 25 (18h00-22h00)	?	Final Exam	

ACCT 5123 – ADVANCED TAXATION – SUMMARY SCHEDULE
Summer 2018 (section A – full time)

		Session	Room	Topics
S1A	Fr	July 27 (8h30-11h30)	RB 1200	Introduction to Course General concepts and Principles of Taxation Net Income, Taxable Income, Tax Payable
S2A	Mo	July 30 (8h30-11h30)		Legal Form and Structures Trusts Partnership Stakeholder Relationships
S3A	Mo	July 30 (11h30-14h30)		Personal Financial Planning GST/HST
S4A	We	August 1 (8h30-11h30)		Sources and Computation of Taxable Income f) Sources and types of income Income from an Office or Employment
S5A	We	August 1 (11h30-14h30)		Income from a Business Income from Property g) Capital Cost Allowance h) Cumulative Eligible Capital i) Taxable capital gains and allowable capital losses j) Other Income and Other Deductions Deferred Income Plans
S6A	We	August 8 (8h30-11h30)		Computation of Taxes Payable - Tax Payable for Individuals - Tax Payable for Corporations
S7A	Fr	August 10 (8h30-11h30)		Tax Planning for Corporations and Individuals c) Owner-manager tax planning d) Business structure planning Succession and Estate Planning
S8A	Mo	August 13 (11h30-14h30)		Tax Planning and Integration
S9A	We	August 15 (8h30-11h30)		Tax Planning and Integration
S10A	Fr	August 17 (8h30-11h30)		Tax Planning and Integration
S11A	Mo	August 20 (8h30-11h30)		Tax Planning and Integration
S12A	We	August 22 (8h30-11h30)		Tax Planning and Integration
	Th	August 23 (8h30-11h30)	?	Review, if needed
	Fr	August 24 (9h00-13h00)	?	Final Exam

ACCT 5123 – ADVANCED TAXATION – SUMMARY SCHEDULE
Summer 2018 (section B – full time)

		Session	Room	Topics
S1B	Fr	July 27 (11h30-14h30)	RB 1200	Introduction to Course General concepts and Principles of Taxation Net Income, Taxable Income, Tax Payable
S2B	Tu	July 31 (8h30-11h30)		Legal Form and Structures Trusts Partnership Stakeholder Relationships
S3B	Tu	July 31 (11h30-14h30)		Personal Financial Planning GST/HST
S4B	Th	August 2 (8h30-11h30)		Sources and Computation of Taxable Income k) Sources and types of income Income from an Office or Employment
S5B	Th	August 2 (11h30-14h30)		Income from a Business Income from Property l) Capital Cost Allowance m) Cumulative Eligible Capital n) Taxable capital gains and allowable capital losses o) Other Income and Other Deductions Deferred Income Plans
S6B	Tu	August 7 (8h30-11h30)		Computation of Taxes Payable - Tax Payable for Individuals - Tax Payable for Corporations
S7B	Th	August 9 (8h30-11h30)		Tax Planning for Corporations and Individuals e) Owner-manager tax planning f) Business structure planning Succession and Estate Planning
S8B	Mo	August 13 (8h30-11h30)		Tax Planning and Integration
S9B	Tu	August 14 (8h30-11h30)		Tax Planning and Integration
S10B	Th	August 16 (8h30-11h30)		Tax Planning and Integration
S11B	Mo	August 20 (11h30-14h30)		Tax Planning and Integration
S12B	Tu	August 21 (8h30-11h30)		Tax Planning and Integration
	Th	August 23 (8h30-11h30)	?	Review, if needed
	Fr	August 24 (9h00-13h00)	?	Final Exam

ACCT 5123 – TOPICS, COMPETENCIES AND ACTIVITIES IN TAXATION

	Topics (including competencies and knowledge)	CPA Competencies	Activities
	General concepts and Principles of Taxation Net Income, Taxable Income, Tax Payable	6.1.1 6.2.1 6.2.5 6.2.6 6.3.1	Case studies Readings Quiz
	Legal Form and Structures Stakeholder Relationships	6.1.1 6.2.1 6.2.4	Case studies Readings Quiz
	Sources and Computation of Taxable Income Income from an Office or Employment	6.2.1 6.2.2 6.2.4	Case studies Readings Quiz
	Income from a Business Income from Property	6.1.2 6.1.3 6.2.1 6.2.2 6.2.4	Case studies Readings Quiz
	Capital Cost Allowance Cumulative Eligible Capital	6.1.2 6.1.3 6.2.1 6.2.2	Case studies Readings Quiz
	Taxable capital gains and allowable capital losses Other Income and Other Deductions	6.2.1 6.2.2	Case studies Readings Quiz
	Computation of Taxes Payable Tax Payable for Individuals	6.2.1 6.2.2 6.2.3 6.2.6	Case studies Readings Quiz
	Computation of Taxes Payable Tax Payable for Corporations	6.1.1 6.1.2 6.1.3 6.2.6	Case studies Readings Quiz
	Tax Planning for Corporations and Individuals Owner-manager tax-planning	6.1.1 6.1.4 6.2.4	Case studies Readings Quiz
	Tax Planning for Corporations and Individuals Business structure planning	6.1.1 6.1.4 6.1.5 6.1.6 6.2.4	Case studies Readings Quiz
	Succession and Estate Planning Trusts Partnership	6.1.3 6.1.4 6.1.6 6.2.3 6.2.5	Case studies Readings Quiz
	Deferred Income Plans GST/HST	6.1.1 6.2.2 6.2.4	Case studies Readings Quiz

Note: - See Appendix A for CPA Competency Map and Appendix B for CPA Competency Map Knowledge for more information about CPA competencies and knowledge in Taxation
 - Details of Cases studies and Assignments will be posted in cuLearn

**APPENDIX A – TAXATION TECHNICAL COMPETENCIES
(EXTRACTS FROM CPA COMPETENCY MAP)**

SECTION 6: TAXATION

Related CPA Competency	Level E4 Tax	Outcomes
6.1 Corporate Tax		
6.1.1 Assesses a corporate tax entity's general tax issues	A	a) Interprets and applies the Income Tax Act (ITA) and various references sources to the entity's tax issues b) Determines a corporation's <ul style="list-style-type: none"> - legal form and structure; - type of corporation (e.g. private, CCPC, public); - residency and liability for tax (income tax, HST/GST); - sources and types of income; - stakeholders and relationships (e.g., non-arm's length, related persons, associated or connected corporations, and affiliated persons) - risk tolerance; - and tax filing requirements
6.1.2 Determines taxes payable for a corporation in routine situations	A	a) Classifies and calculates the different sources and types of income for a corporation b) Reconciles accounting income to income for tax purposes c) Determines adjustments necessary to calculate taxable income d) Identifies and explains the elements of taxes payable e) Calculates instalments and final tax payments and advises on due dates
6.1.3 Determines taxes payable for a corporation in non-routine situations	B	a) evaluates the impact of non-routine situations on a corporation's income and tax payable; for example: <ul style="list-style-type: none"> - flow-through of partnership income to a corporate partner - financially troubled businesses - scientific research & experimental development
6.1.4 Advises on tax consequences or specific tax planning opportunities for shareholders and their closely held corporations	A	a) Analyzes the entity's and its shareholders' tax profiles to identify, evaluate, and recommend possible tax-planning opportunities b) Identifies alternative courses of action, and evaluates and recommends planning opportunities with corresponding risks (e.g., salary versus dividends, loans to shareholders, succession and estate planning, benefits and compensation)
6.1.5 Analyzes the tax consequences or planning opportunities for complex corporate transactions	B	a) Analyzes more complex situations and identifies tax-planning opportunities b) Advises on optimal corporate structure to meet the objectives of the corporation (e.g., use of holding companies, business expansion structures, creditor protection) c) Recommends tax strategies that can be used to achieve

Related CPA Competency	Level E4 Tax	Outcomes
		<p>the optimal corporate structure on a tax-deferred basis (e.g., section 85 elections, section 86 reorganization of share capital, section 51 convertible property, and section 85.1 share for share exchange).</p> <p>d) Identifies, analyzes, and explains the impact of transferring assets to a corporation</p> <p>e) Analyzes and advises on the tax consequences on the sale or acquisition of shares versus assets, including the possible acquisition of control</p>
6.1.6 Describes the tax consequences of other corporate and partnership restructuring transactions	C	<p>a) Explains the tax consequences of a wind-up of a subsidiary into its parent corporation;</p> <ul style="list-style-type: none"> - the amalgamation of multiple corporations; and - transactions between a partnership and its partners
6.2 Personal Tax		
6.2.1 Assesses general tax issues for an individual	A	<p>a) Interprets and applies the ITA and various reference sources to the individual's tax issues</p> <p>b) Determines an individual's</p> <ul style="list-style-type: none"> - residency and liability for tax; - sources and types of income; - stakeholders and relationships (e.g., non-arm's length, related persons, and affiliated persons); and - tax filing requirements
6.2.2 Determines income taxes payable for an individual in routine situations	A	<p>a) Identifies and classifies the different sources and types of income for an individual (employment, business, property, capital gains, and other income)</p> <p>b) Calculates the inclusions and deductions for each source of income</p> <p>c) Determines deductibility of other items (e.g., rrsP contributions)</p> <p>d) Determines adjustments necessary to calculate taxable income</p> <p>e) Identifies and explains the elements of taxes payable (e.g., dividend tax credits and personal tax credits)</p> <p>f) Calculates instalments and final tax payments and advises on due dates</p>
6.2.3 Determines income taxes payable for an individual in non-routine situations	B	<p>a) Evaluates the impact of non-routine situations on an individual's income and tax payable; for example:</p> <ul style="list-style-type: none"> - the allocation of income/loss from a partnership to be recorded on the individual's tax return - the returns for a deceased individual <p>b) Determines income tax payable for inter vivos and testamentary trusts</p> <p>c) Determines impact of distributions from trusts on beneficiary</p>

Related CPA Competency	Level E4 Tax	Outcomes
6.2.4 Advises on specific tax-planning opportunities for individuals	A	<ul style="list-style-type: none"> a) Analyzes the individual's profile to identify, evaluate, and recommend possible tax-planning opportunities (e.g., income splitting and TFSA, RRSP, RESP, and RDSP) b) Identifies alternative courses of action, and evaluates and recommends planning opportunities with corresponding risks for executives and other employees (e.g., salary versus fringe benefits, stock-based compensation, bonus plans, and pension plans) c) Identifies and explains the tax advantages and disadvantages of self-employment versus being an employee d) Identifies, analyzes, and explains the impact of incorporating a non-incorporated business
6.2.5 Analyzes estate-planning opportunities for individuals	B	<ul style="list-style-type: none"> a) Identifies and explains the role of trusts and deferred income plans as planning tools b) Identifies and explains tax-planning opportunities related to estate planning c) Designs a plan for transition of family wealth d) Plans for the tax consequences of the death of an individual and the subsequent distribution of the estate
6.2.6 Analyzes tax consequences for non-residents	B	<ul style="list-style-type: none"> a) Identifies and explains the taxation of Canadian sources of income for non-residents (e.g., tax payable under Part i and Part Xiii) b) Identifies and explains the taxation of part-year residents (e.g., deemed acquisitions or dispositions and tax payable under Part i) c) Identifies the possible impact of tax treaties and conventions
6.3 Assessments and Appeals		
6.3.1 Advises taxpayers with respect to assessment, notice of objection, and appeals	B	<ul style="list-style-type: none"> a) Explains <ul style="list-style-type: none"> - filing deadlines for objections and appeals; and - consequences of missing filing deadlines b) Discusses the need for, and how to, access CRA documents to assess risks and support the entity's position c) Analyzes the strength of a possible objection d) Outlines a course of action, considering probability of success and taxpayer's appetite for pursuing an appeal (i.e., professional fees, reputation, and public disclosure of information) e) Prepares information to respond to assessments and to file objections and appeals

**APPENDIX B – TAXATION KNOWLEDGE
(EXTRACTS FROM CPA COMPETENCY MAP KNOWLEDGE SUPPLEMENT)**

SECTION 6: TAXATION

Taxation: Includes tax compliance and reporting, and tax planning and implementation strategies for both corporate and personal tax payers, and an understanding of the administrative processes in Canadian taxation.

Topics	Entry	Core	Elective
General Concepts and Principles of Taxation			
a) Structure and interpretation of ITA	C	B	A
b) General anti-avoidance rule	C	B	A
c) Filing deadlines and requirements	B	B	B
d) Notice of assessment, interest and penalties, failures and omission	C	C	B
e) Objections to assessments and appeal process	C	C	B
f) Existence of tax conventions and treaties	C	B	B
g) Concept of residency, deemed resident, part-year resident	-	C	B
h) Attribution rules	B	B	A
i) Other types of taxation (HST/GST, etc.)	B	B	A
j) Integration under ITA	C	B	A
Stakeholder Relationships			
a) Non-arm's length and related persons	B	B	A
b) Associated or connected corporations	B	B	A
c) Affiliated persons	B	B	A
d) Personal service business	B	B	A
Legal Form and Structures			
a) Sole proprietorship	B	B	A
b) Corporation (e.g., private, CCPC, public)	B	B	A
c) Joint ventures	C	B	A
d) Partnerships	C	B	A
Sources and Computation of Taxable Income			
a) Sources and types of income	B	B	A
• Office or employment			
○ Taxable benefits			
○ Deductions allowed and limitations			
• Employee or self-employed, personal services business	C	B	A
• Business or property income	B	B	A
○ Types of income: active business income, property income, interest income, dividend income, rental properties, capital gain/loss			
○ Basic rules and principles			
○ Inclusions			
○ Deductions — limitations			
b) Capital cost allowance (CCA)			

Topics	Entry	Core	Elective
<ul style="list-style-type: none"> • General principles and definitions <ul style="list-style-type: none"> ○ Undepreciated capital cost (UCC) ○ Recaptured capital cost allowance ○ Terminal loss ○ Acquisition and disposition of depreciable property ○ Capital cost allowances classes 	B	B	A
<ul style="list-style-type: none"> • Special rules <ul style="list-style-type: none"> ○ Exchanges of property — replacement ○ Change in use, non-arm's length ○ Passenger vehicle — luxury ○ Deemed capital cost — inducement ○ Expenses of representation ○ Disposition of a building and land ○ Loss on certain transfers ○ Available for use ○ Consideration — FMV rules ○ Short taxation year 	C	B	A
c) Cumulative eligible capital (CEC)			
<ul style="list-style-type: none"> • General rules 	B	B	A
<ul style="list-style-type: none"> • Calculation of CEC 	B	B	A
<ul style="list-style-type: none"> • Acquisition and disposition of eligible capital property 	B	B	A
<ul style="list-style-type: none"> • Acquisition — non-arm's length 	-	B	A
<ul style="list-style-type: none"> • Special rules 	-	B	A
d) Taxable capital gains and allowable capital losses			
<ul style="list-style-type: none"> • General rules, definitions, and computation 	B	B	A
<ul style="list-style-type: none"> • Identical property rule 	B	B	A
<ul style="list-style-type: none"> • Proceeds of disposition — allocation 	B	B	A
<ul style="list-style-type: none"> • Inadequate consideration, gifting 	B	B	A
<ul style="list-style-type: none"> • Election — disposition of Canadian securities 	C	B	A
<ul style="list-style-type: none"> • Business investment loss 	B	B	A
<ul style="list-style-type: none"> • Capital gains reserves 	B	B	A
<ul style="list-style-type: none"> • Principal residence 	B	B	A
<ul style="list-style-type: none"> • Listed personal property 	B	B	A
<ul style="list-style-type: none"> • Small business share rollover 	B	B	A
<ul style="list-style-type: none"> • Personal use property 	B	B	A
<ul style="list-style-type: none"> • Special rules 	B	B	A
<ul style="list-style-type: none"> • Dispositions to affiliated persons 	C	B	A
<ul style="list-style-type: none"> • Options and convertible property 	B	B	A
<ul style="list-style-type: none"> • Adjusted cost base — inclusions and deductions 	B	B	A
<ul style="list-style-type: none"> • Corporate dividend — transfer of property 	-	B	A
e) Other sources of income inclusions and deductions			
<ul style="list-style-type: none"> • Indirect payments 	B	B	A
<ul style="list-style-type: none"> • Interest-free or low-interest loans 	B	B	A

Topics	Entry	Core	Elective
<ul style="list-style-type: none"> • Non-arm's length sale of shares • Acquisition of control • Purchase and sale of assets versus shares • Use of holding companies • Transfer pricing taxation issues 	C	C	A
	-	C	B
	-	C	B
	-	C	B
	-	C	B
Succession and Estate Planning			
a) Transfer of property to spouse	C	C	A
b) Transfer of property to children	C	C	A
c) Income splitting and attribution rules	C	C	A
d) Capital losses in estate	-	C	B
e) Deemed disposition on death	-	C	B
f) Returns of a deceased individual <ul style="list-style-type: none"> • Basic rules • Reserves for year of death • Elective returns 	-	C	B
Trusts			
a) Types of trusts (inter vivos and testamentary trusts)	-	C	B
b) Distributions from trusts on beneficiary	-	-	B
c) Income and taxes payable for inter vivos and testamentary trusts	-	-	B
d) Impact of distributions from trusts to beneficiary	-	-	B
Partnership			
a) Transactions between a partnership and its partners	-	-	C
b) Limited partnership — at-risk rules	-	-	C
c) Transfer of property to partnership	-	-	C
d) Admission or withdrawal of a partner	-	-	C
e) Termination of a partnership	-	-	C
f) Flow-through of partnership income to a corporate partner	-	-	B
g) Allocation of income/loss from a partnership to be recorded on the individual's tax return	-	-	B
Deferred Income Plans			
a) RRSP	C	C	A
b) TFSA	C	C	A
c) RESP	C	C	A
d) RDSP	C	C	A
GST/HST			
a) Liability for tax	B	B	A
b) Input tax credits	B	B	A
c) Registration	B	B	A
d) Collection and remittance	B	B	A

APPENDIX C – CPA ENABLING COMPETENCIES (EXTRACTS FROM CPA COMPETENCY MAP)

- Professional and Ethical Behaviour

CPAs draw on their ability to act with honesty, integrity, credibility, self-confidence, and independence, while coping with ambiguity, conflicts of interest, and the need to protect the public interest. CPAs do more than adhere to the rules of professional conduct, through ethical behavior that exemplifies and enhances the reputation of the profession.

- 1.1 Uses an ethical reasoning process
- 1.2 Adopts the profession's values
- 1.3 Maintains a stakeholder focus
- 1.4 Adheres to laws, professional standards, and policies when exercising professional judgment

- Problem Solving and Decision Making

CPAs draw on strong analytical and problem solving skills and their capacity for innovative and integrative thought, as well as their ability to both connect and dissect “parts” and “wholes”, identify and manage priorities, and adopt a broad view to arrive at a recommended solution.

- 2.1 Demonstrates a cohesive process for using professional judgment to solve problems and make decisions

- Communication (both written and oral)

CPAs must communicate effectively through listening, understanding, speaking, and writing with clarity, and through the art of persuasion and negotiation. CPAs must be able to clearly communicate complex matters to all levels of an entity.

- 3.1 Obtains accurate and relevant information through listening, interviewing, and discussing
- 3.2 Writes and speaks to enhance work performed
- 3.3 Adapts communications to meet audience needs