Tax 4001 – Tax Accounting

University of West Florida

Set-up of the Course: This course is taught through the internet. You will be provided a video lecture for each topic covered in the class and a set of class notes that follow the video lectures. The video lectures are made from PowerPoint slides with voice over. The video lectures are identical to a classroom lecture without student-teacher interaction during the lecture. Any questions will be handled through e-mail.

All of the materials for the course are provided at the beginning of the semester and thus you can work at your own pace. The first exam will be given at the end of the 5th week, the second exam at the end of the 10th week, and the third exam at the end of the 15th week.

You will schedule your exam through ProctorU.com. You will need a webcam and a high-speed internet connection for the exams. The exams will be given between noon Friday and noon Sunday. ProctorU.com charges $22.50 per exam. You are given 75 minutes for each exam.

The materials covered in this course consist primarily of individual federal income taxation. This course, along with the second course in taxation, are needed to properly prepare for the Certified Public Accountant examination.

You can access the class materials from the course. The University of West Florida class web site includes the syllabus, course notes, and course videos.

There are no assignments to be handed in. Your grade will be based on three objective 75-minute exams that will be administered through the internet. Each exam made up of approximately 35 objective questions and each exam is worth 100 points, for a maximum total of 300 points.

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Prerequisites: ACG 3101 (C or better)

Course Objectives: The objective of the course are to have you learn technical tax information and to prepare you for the CPA examination. Upon completion of this course you should be able to obtain employment with a public accounting firm and prepare tax returns in the individual tax area. You will also be able to bring tax considerations into the business decision process. This course will only prepare you for one-half of the tax material tested on the CPA exam. Tax 5105 is necessary to complete your knowledge of the basic tax information and to complete your preparation for the CPA exam.

Assignments: The topic coverage for each class period is listed on separate sheets. No other homework problems will be assigned. You should work questions and problems at the end of the chapters to help you prepare for the examinations.
**Grading:** Your grade will be based on three non-cumulative 75-minute exams each worth 100 points each.

Each exam is noncumulative

Each exam consists of approximately 35 multiple choice/objective questions

All exam are based on the current law – Tested on the law in effect this year

Use of calculators allowed on the exam

The Grading Scale is as follows:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Grade</th>
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<tbody>
<tr>
<td>85-100%</td>
<td>A</td>
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<tr>
<td>77-85%</td>
<td>B</td>
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<tr>
<td>68-77%</td>
<td>C</td>
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<tr>
<td>60-68%</td>
<td>D</td>
</tr>
<tr>
<td>Below 60%</td>
<td>F</td>
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</tbody>
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Any student receiving below 50% on two of the exams will not pass the class.

The final grade is based on the two exams. There is no extra credit available to improve a grade.

**Reviewing Exams:** If you wish to review your exams you must do that in my office in Pensacola. Since at least some of the questions on each exam come from prior semester exams, I do not discuss particular questions via email.

Exam questions cannot be copied when reviewing the exams in the office.

**Course Materials:** The course materials along with the video lectures are available on the University of West Florida’s course web site.

University web site: argus.uwf.edu

Enter your university username and password

Click on: My Info

Click on: TAX4001 in the eLearning box

Click on: Content


**Plagiarism Policy**

http://library.uwf.edu/Tutorials/module_plagiarism/default.htm
**UWF Course Website:** The University of West Florida website includes several files that cover the material for the course. The class notes for the course are provided in three files. There are 45 video files that follow the order of the class notes. The course syllabus, calendar, and a video listing are also provided on the website.

**Video Directions:** The videos were made using PowerPoint with a voiceover. You can view each video by clicking the file. I would suggest that you save each of the videos to a folder on your computer. You will need any version of PowerPoint (i.e., 97, 2003, 2007, 2010) or the PowerPoint Viewer to view the videos saved on your computer.

The videos are listed in the order that the material is covered in the course. The videos are of varying length, ranging from a minute to several minutes. The videos are tied to the 15 modules of the course. Each week represents a module for the course.

The sound will begin as soon as the video is fully loaded. At the end of each slide you must manually move to the next slide by either left-clicking your mouse or using the Page Down key. You can review the narration for a particular slide by pressing the Page Up key to the previous slide and then pressing the Page Down key or left-clicking the mouse to go to the slide you wish to listen to.

You can also view the video without bringing the video up in Slide View. To listen to the narration you will have to double click on the speaker icon on each slide, then pressing the Page Down key to go to the next slide. You can always review to the narration by double clicking the speaker icon.

You should copy the Videos and other course materials to your computer hard drive to have as a reference throughout the course.
Week | TOPIC
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1 | I. Tax Law Process, Exemptions, Gross Income
Tax Law Process  
A. Objectives of the Tax Law  
B. Legislative Process  
C. Types of Taxes  
D. Authoritative Source of Tax Law  
1. Statutory  
2. Administrative  
3. Judicial

E. Internal Revenue Service  
F. Audit Process  
G. IRS Appeals Process  
H. Penalties  
I. Statute of Limitations  
J. Statute of Limitations on Refunds  
K. Practice Before the IRS  
L. Preparer Penalties

II. Individual Taxation  
A. Components of Individual Returns  
B. Standard Deduction Versus Itemizing  
C. Personal Exemptions  
1. Exemptions Available  
2. Requirements  
3. Children of Divorced or Separated Parents  
4. Support  
5. Phase-Out Personal Exemptions

III. Types of Returns and Filing Requirements  
A. Introduction  
B. Two Classifications and Five Filing Statuses  
1. Married  
   a. Married Filing Jointly  
   b. Married Filing Separately  
2. Not Married  
   a. Single  
   b. Head of Household  
   c. Surviving Spouse  
C. Tax Rate Schedules  
D. Tax Tables  
E. Extensions  
F. Returns of Dependents  
G. Self-Employment Tax  
H. Household Employee Tax
IV. Gross Income
   A. Gross Income Defined
   B. Constructive Receipt
   C. Assignment of Income
   D. Amounts Received by Mistake
   E. Compensation for Services
      1. Compensation Paid Other than Cash
      2. Tip Income
   F. Interest Income
   G. Rent and Royalty Income
   H. Dividend Income
   I. Annuities
   J. Awards and Prizes
   K. Group Term Insurance
   L. Unemployment Compensation
   M. Social Security Benefits
   N. Restricted Compensation

4  O. Alimony and Separate Maintenance
   P. Recoveries
   Q. Stock Options
      1. Nonqualified Stock Options
      2. Incentive Stock Options
      3. Employee Stock Purchase Plan

V. Exclusions
   A. Defined
   B. Life Insurance Proceeds
   C. Gifts and Inheritances
   D. Interest on Certain Government Obligations
   E. Exclusion for Higher Education
   F. Compensation for Injury & Sickness
   G. Damages
   H. Amounts Received Accident & Health Plans
   I. Health and Hospitalization Insurance
   J. Cancellation of Indebtedness
   K. Lessee Improvements
   L. Scholarships and Fellowship Grants
   M. Meals and Lodging
   N. Exclusion on Gain on Sale of Principal Residence
   O. Reimbursed Insurance Living Expenses
   P. Employer Educational Assistance Program
   Q. Dependent Care Assistance Program
   R. Cafeteria Plans
   S. Noncash Fringe Benefits

5  TEST - CHAPTERS 1-5
Deductions and Losses – Business and Personal

I. Business Deductions
   A. Introduction
   B. Basic Requirements
   C. Personal Living Expenses
   D. Capital Expenditures
   E. Method of Accounting
      1. Cash Basis Deductions
      2. Accrual Basis Deductions
   F. Reasonable Compensation
   G. Depreciation
   H. Amortization
      1. Introduction
      2. Section 197 Assets
      3. Research & Experimental Expenditures
      4. Organizations Costs
      5. Business Investigation & Start-Up Expenses
      6. Lessee Improvements
   I. Depletion

J. Travel and Transportation
K. Entertainment
L. Reimbursements for Travel, Transportation, and Entertainment
M. Business Gifts
N. Lobbying and Political Contributions
O. Life Insurance on Officers
P. Self-Employed Employment Tax
Q. Health Insurance Premiums
R. Archer Medical Savings Accounts
S. Health Savings Accounts
T. Individual Retirement Accounts
U. Alimony
V. Moving Expenses
W. Business Use of Home
X. Deduction for Higher Education Expenses
Y. Interest on Education Loans
Z. Educator Deduction
AA. Penalty for Premature Withdrawals from Time Deposits
BB. Jury Duty Fees

II. Losses
   A. Introduction
   B. Abandonment
   C. Worthlessness
   D. Bad Debts
   E. Passive Loss Rules
   F. Net Operating Losses
   G. Losses Between Related Taxpayers
III. Itemized Deductions
A. Medical
B. Taxes
C. Interest
   1. Requirements
   2. Points
   3. Consumer Interest
   4. Investment Interest
   5. Housing Interest
D. Charitable Contributions
   1. Requirements
   2. Other Than Money
   3. Limitations
   4. Examples
E. Casualty and Theft Losses
F. Wagering Losses
G. Unrecovered Cost of an Annuity
H. Itemized Deductions Subject to 2% AGI
   1. 2% Reduction
   2. Reimbursed Employee Expenses
   3. Investment Expenses
   4. Education Expenses
   5. Employment Seeking Expenses
   6. Tax Planning and Preparation Expenses
   7. Computers or Peripheral Equipment
   8. Other Miscellaneous Employee Expenses
IV. Real Estate, Hobby Losses, Vacation Home
A. Real Estate Investment Expenses
B. Hobby Losses
C. Vacation Home Expenses

TEST - CHAPTERS 6-8
I. Sale and Other Dispositions of Property
   A. Introduction
   B. Types of Assets
   C. Transaction Reporting
   D. Amount Realized
   E. Basis Determination
      1. Basis
      2. Property Acquired by Purchase
      3. Manufactured Asset
      4. Lump-Sum Purchases
      5. Residual Method
      6. Demolition of Building
      7. Conversion to Business Property
      8. Acquired from Decedent
      9. Acquired by Gift
     10. Purchase at Less Than FMV
     11. Sale of Stock
     12. Stock Rights
     13. Asset Acquired From Spouse
     14. Asset Acquired for Services
   F. Holding Period
   G. Capital Gains and Losses
      1. Capital Gains
      2. Capital Losses--Individuals
      3. Capital Gains and Losses--Corporations

II. Nontaxable Exchanges
   A. Introduction
   B. Like-Kind Exchanges
   C. Involuntary Conversions

III. Other Capital Transactions
   A. Qualified Small Business Stock
   B. Rollover of Publicly Traded Stock into SSBIC
   C. Wash Sales
   D. Short Sales
   E. Options
   F. Worthless Securities
   G. Losses on Small Business Stock

IV. Sale of Section 1231 Assets
   A. Definition of Section 1231 Assets
   B. Computing Section 1231

V. Depreciation Recapture
   A. 1245 Recapture
   B. 1250 Recapture
   C. Sale of Residence
   D. Steps in Sale of Asset
VI. Credits Against Tax
   A. Nonrefundable Credits
      1. Introduction
      2. Household and Dependent Care Credit
      3. Credit for the Elderly
      4. Adoption Credit
      5. Child Tax Credit
      6. Mortgage Interest Credit
      7. Education Credits
      8. Foreign Tax Credit
      9. Nonconventional Fuels Credit
     10. General Business Credit

   B. Refundable Credits
      1. Introduction
      2. Tax Withheld on Wages
      3. Excess Social Security
      4. Earned Income Credit
      5. Gasoline and Oil Use Taxes

VII. Estimated Tax

VIII. Alternative Minimum Tax

15 TEST - CHAPTERS 9-12

3 100 point objective exams = 300 points