

Course Prefix/Number: ACC 120
Course Title: Federal Income Tax
Lecture Hours/Week: 3.0
Lab Hours/Week: 0.0
Credit Hours/Semester: 3.0

[Distance Learning Attendance/VA Statement](#)
[Textbook Information](#)

Course Description:

This course is a study of the income tax structure from the standpoint of the individual, partnership, and corporation.

COURSE COMPETENCIES

Module 1 – Tax research, corporate formation, and corporate income tax

- Describe the steps in the tax research process.
- Discuss the sources of tax law and understand the authoritative value of each.
- Discuss the tax advantages and disadvantages of using each of the alternative business forms.
- Describe the check-the-box regulations as they pertain to partnerships, corporations, and trusts.
- Discuss the requirements for deferring gain or loss upon incorporation.
- Describe the requirements for selecting tax years and accounting methods to various types of C corporations.
- Compute a corporation's taxable income.
- Compute a corporation's income tax liability.
- Describe how compensation planning can reduce taxes for corporations and their shareholders.
- Discuss the requirements for paying corporate income taxes and filing a corporate return.
- Calculate the financial statement implications of federal income taxes

Module 2 – Non-liquidating disbursements, liquidating disbursements, and other taxes

- Calculate current earnings and profits (E&P).
- Determine the tax consequences of nonliquidating property distributions.
- Determine the tax consequences of stock dividends and the issuance of stock rights.
- Calculate the corporation's alternative minimum tax liability (if any).
- Calculate the corporation's PHC tax.
- Discuss whether a corporation is liable for the accumulated earnings tax.
- Calculate the amount of the corporation's accumulated earnings tax.

Module 3 - Partnership Taxation

- Discuss the difference between general and limited partnerships.
- Discuss the tax results of a contribution of property or services in exchange for a partnership interest.
- Discuss which items are included in partnership ordinary income or loss and those that must be separately stated.
- Calculate a partner's distributive share of partnership income, gain, loss, deduction or credit items.
- Calculate a partner's basis in a partnership interest.
- Describe the limitations on a partner's deduction of partnership losses.

- Calculate the allocation of partnership income between a donor and a donee of a partnership interest.
- Determine the amount and character of gain or loss a partner recognizes in a non-liquidating partnership distribution.
- Determine the partner's basis of assets received in a non-liquidating partnership distribution.

Module 4 – S corporations and gift tax

- Discuss the requirements for being taxed under Subchapter S.
- Discuss procedures for electing to be taxed under Subchapter S.
- Determine the permitted tax years for an S corporation.
- Calculate ordinary income and loss.
- Calculate the amount of any special S corporation taxes.
- Calculate a shareholder's allocable share of ordinary income or loss and separately stated items.
- Calculate a shareholder's basis in his or her S corporation's stock and debt.
- Discuss the taxability of an S corporation's distributions to its shareholders.
- Describe the procedures for filing an S corporation tax return.
- Discuss the concept of the unified transfer tax system.
- Describe the gift tax formula.
- Discuss a number of transactions subject to the gift tax.
- Calculate deductions available for gift tax purposes.
- Discuss the gift-splitting rules.
- Calculate the gift tax liability.

Module 5 – Trust and estate tax

- Discuss the basic concepts concerning trusts and estates.
- Calculate the tax liability of a trust or estate.
- Calculate the taxable income of a simple trust.
- Calculate the taxable income of a complex trust.
- Discuss the filing requirements for fiduciary returns.
- Describe the formula for the estate tax.
- Describe the methods for valuing interests in the gross estate.
- Discuss deductions available for estate tax purposes.
- Calculate the estate tax liability.

COURSE REQUIREMENTS

All students are responsible for attaining competencies through completion of the following course requirements:

- Reading assigned chapters
- Solve chapter exercises and problems
- Complete chapter tests

ACADEMIC INTEGRITY

The policies stated in the York Technical College Handbook will be enforced. Any student violating the policy will be subject to academic discipline.

ATTENDANCE POLICY

The attendance policy as stated in the student handbook will be enforced. Attendance is required on test days. If an absence on test day can be determined beforehand, the student should make arrangements with the instructor to take the test early.

GRADING PROCEDURE

A total of four module assessments will be given individually after the completion of each module and each will count 100 points. The grading scale is as follows:

GRADE SCALE

A 90-100

B 80-89

C 70-79

D 60-69

F BELOW 60

ENTRY-LEVEL SKILLS

A student entering this course should have an appropriate entrance score for his/her certificate or degree program.

PREREQUISITES: ACC - 111

CO-REQUISITES: None

DISABILITIES STATEMENT: Any student who feels s/he may need an accommodation based on the impact of a disability should contact the Special Resources Office (SRO) at 803-327-8007 in the 300 area of Student Services. The SRO coordinates reasonable accommodations for students with documented disabilities.