

ACC 261

Principles of Federal Taxation I

COURSE OUTLINE

Prerequisites:

ACC 211 – Principles of Accounting I

Course Description:

Presents the study of federal taxation as it relates to individuals and related entities. Includes tax planning, compliance and reporting.

Conceptual and analytical objectives are listed at the beginning of each chapter. These learning objectives provide a framework (mental and visual) to direct the learning process. Real-world businesses and accounting practices will be integrated into the material to promote interest and enhance mastery and competence of the subject being discussed.

Semester Credits: 3 Lecture Hours: 3 Lab/Recitation Hours: 0

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Course Outcomes

At the completion of this course, the student should be able to:

1. Understand progressive, proportional and regressive tax structures.
2. Understand marginal and average tax rates and simple income tax formula.
3. Understand the components of Form 1040EZ and when its use is appropriate.
4. Understand types of tax authority and how they interrelate.
5. Determine proper filing status and calculate personal exemptions.
6. Calculate dependency exemptions and determine standard deductions.
7. Understand IRS interest and penalties.
8. Describe when and how income is subject to taxation.
9. Explain the components of gross income (e.g. wages, interest, dividends, etc.)
10. Apply rules for exclusion of income from taxation.
11. Understand tax rules for student loan interest and moving expenses.
12. Explain and discuss taxation issues associated with self-employment.
13. Calculate deduction for eligible tuition and fees.
14. Describe and apply the deductibility of: medical expenses, state taxes, interest expense, charitable contributions, casualty losses, and deduction limitations.
15. Describe, explain and apply the concepts of self employed income and deductions.
16. Calculate and apply gains and losses associated with the sale of property.
17. Understand income and expenses related to rental property and royalties.
18. Apply the tax rules related to tax credits (e.g. child, education, earned income, etc.).

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Required Materials:

Textbook and computer access

Textbook:

Fundamentals of Taxation, 2016, (with Tax Act) by Cruz; Deschamps; Niswander; Prendergast; Schisler; Trone. Published by McGraw-Hill.

The following supplementary materials are available:

1. IRS Publication 17 – Tax Guide 2016 for Individuals
2. IRS 2016 1040 Instructions

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Topical Description:

The following chapters and topics will be covered:

- Chapter 1: Introduction to Taxation, the Income Tax Formula, and Form 1040EZ
- Chapter 2: Expanded Tax Formula, Forms 1040A and 1040, and Basic Concepts
- Chapter 3: Gross Income – Inclusions and Exclusions
- Chapter 4: Adjustments for Adjusted Gross Income
- Chapter 5: Itemized Deductions
- Chapter 6: Self-Employed Business Income
- Chapter 7: Capital Gains and Other Sales of Property
- Chapter 8: Rental Property, Royalties, and Income from Flow-Through Entities
- Chapter 9: Tax Credits

Notes to Instructors

(List information about optional topics, departmental exams, etc)

Computerized component is included in course (Tax Act)

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