



South Central College

ACCT 2864 Income Tax I

Course Outcome Summary

Course Information

Description This course provides an explanation and interpretation of the internal Revenue Code as applied to individual income tax returns. Topics include filing requirements, filing status, gross income inclusions and exclusions, gains and losses, itemized deductions, and deductions for adjusted gross income.

Total Credits 4

Types of Instruction

Instruction Type

Classroom Presentation

Credits/Hours

Pre/Corequisites

No prerequisites are required.

Institutional Core Competencies

Civic Engagement and Social Responsibility - Students will be able to demonstrate the ability to engage in the social responsibilities expected of a community member.

Communication - Students will be able to demonstrate appropriate and effective interactions with others to achieve their personal, academic, and professional objectives.

Course Competencies

1. Describe an overview of the Federal Tax System

Learning Objectives

Identify types of taxes imposed at the Federal, state and local levels.

Explain some highlights of tax law administration.

Identify the influence that the Internal Revenue Service and the courts have had in the evolution of the current tax law.

2. Communicate factors other than revenue-raising that affect Federal tax law.

Learning Objectives

Explain how tax provisions help regulate the economy and encourage certain activities and types of businesses.

Acquire knowledge of how tax provisions encourage or discourage certain social practices.

Acquaint self with the concern of equity considerations such as multiple taxation, wherewithall to pay concept, and recognize the eroding effect of inflation.

3. Apply the components of the Federal income tax formula.

Learning Objectives

Explain the standard deduction.
Identify individuals not eligible for the standard deduction.
Discuss personal and dependency exemptions.
List filing requirements.
Explain the different filing statuses.

4. Describe property transactions.

Learning Objectives

Define a capital asset.
Explain the taxation of a net capital gain.
Identify the treatment of a net capital loss.

5. Identify tax planning opportunities associated with the individual tax formula.

Learning Objectives

Acknowledge advantage of tax rate differentials.
Explain the taxation of minor children.
Utilize dependency exemptions to the fullest.

6. Define gross income.

Learning Objectives

Discuss personal service revenue.
Classify year of inclusion.
Differentiate between cash and accrual methods of accounting

7. List items specifically included in gross income.

Learning Objectives

Apply the Internal Revenue Code provisions on alimony.
Compute taxable income from annuities.
Report prizes and awards correctly for tax purposes.

8. Identify items specifically excluded from gross income.

Learning Objectives

Explain general rule concerning life insurance proceeds.
Explain general information concerning scholarships.
Convey how compensations for injuries and sickness are taxed.
Explain the taxability of state and local government obligations.

9. Explain the tax benefit rule.

Learning Objectives

Determine the extent to which receipts can be excluded under the tax benefit rule.
Illustrate state income tax refunds within the concept of the tax benefit rule.

10. Differentiate between deductions for and from adjusted gross income.

Learning Objectives

List common deductions for adjusted gross income and the form on which they would be reported.
Explain the ordinary and necessary requirement.
Review disallowance possibilities due to public policy limitations.
Define a hobby loss and reporting requirements.

11. Identify tax opportunities for maximizing deductions and minimizing the disallowance of deductions.

Learning Objectives

Explain the time value of tax deductions.
List substantiation requirements for deductions.

12. Elaborate on the different types of losses of individuals that are deductible.

Learning Objectives

Advise as to how losses incurred in a trade or business are reported.
Differentiate between a business and nonbusiness bad debt.

13. Explain the rules for reporting casualty gains and losses.

Learning Objectives

Classify events that are casualties and those that are not.
Measure the amount of loss.

14. Define a net operating loss including carrybacks and carryforwards.

Learning Objectives

Calculate the amount of a net operating loss.
Explain net operating loss elections.

15. Discuss passive loss limits.

Learning Objectives

Explain classifications of income.
Differentiate between active and passive income.

16. Discuss the use of tax credits for individuals.

Learning Objectives

Differentiate between refundable and nonrefundable credits.
Compute earned income credit.

17. Elaborate on the use of the standard deduction.

Learning Objectives

Relate standard deduction to filing status.
Classify standard deduction restrictions for dependents.

18. Define employee business expenses and how to correctly report them.

Learning Objectives

Break down how travel expenses are treated.
Determine the moving expense deduction.

19. Explain the limitations on miscellaneous itemized deductions.

Learning Objectives

List miscellaneous itemized deductions subject to the two percent floor.
List miscellaneous itemized deductions not subject to the two percent floor.

20. Explain the requirements for exemption deductions.

Learning Objectives

Recite dependency requirements for deduction.
Define personal exemption.

21. Explain the filing status concept.

Learning Objectives

List the four filing statuses available.
Relate the filing statuses to the ability to pay concept.

22. Distinguish between deductible and nondeductible interest.

Learning Objectives

Illustrate the limitation of investment interest deductibility.
Define qualified residence interest and restrictions.

SCC Accessibility Statement

South Central College strives to make all learning experiences as accessible as possible. If you have a disability and need accommodations for access to this class, contact the Academic Support Center to request and discuss accommodations. North Mankato: Room B-132, (507) 389-7222; Faribault: Room A-116, (507) 332-7222.

Additional information and forms can be found at: www.southcentral.edu/disability

This material can be made available in alternative formats by contacting the Academic Support Center at 507-389-7222.