



South Central College

ACCT 2865 Income Tax II

Course Outcome Summary

Course Information

Description	This course provides an explanation and interpretation of the Internal Revenue Code as applied to sole proprietorships, partnerships, and corporations. Topics include business income and expense, depreciation, tax credits, alternative minimum tax, property transactions, retirement plans along with estate and trust income taxation with transfer taxes (gift tax and estate tax). .
Total Credits	3
Total Hours	48

Types of Instruction

Instruction Type

Credits/Hours

Classroom Presentation

Pre/Corequisites

None

Institutional Core Competencies

Critical and Creative Thinking - Students will be able to demonstrate purposeful thinking with the goal of using a creative process for developing and building upon ideas and/or the goal of using a critical process for the analyzing and evaluating of ideas.

Course Competencies

1. Distinguish and define different types and classes of property.

Learning Objectives

Describe rules for determining basis of different classes of property.
List rules for determining basis of a conduit entry.

2. Expand conversion of property from personal to rental.

Learning Objectives

Define split basis rules.
Establish holding periods for property converted.

3. Differentiate between depreciation, cost recovery, amortization and depletion.

Learning Objectives

List classes of property for cost recovery
Explain half-year and mid-year conventions.

4. Determine the amount of cost recovery under MACRS.

Learning Objectives

Recognize when and how to make the code section 179 election.
Describe limits on cost recovery for automobiles.

5. Explain the calculation of realized gain or loss from the sale of property.

Learning Objectives

Distinguish between short-term and long-term classifications.
Illustrate the netting procedures for capital gain/loss.

6. Discuss reclassification of gains under depreciation recapture rules.

Learning Objectives

Identify Code Section 1245 and Code Section 1250 assets.
Define Code Section 1231 property.

7. Explain preferential treatment of capital gains/losses

Learning Objectives

Classify rules for deduction capital losses.
Distinguish rules for corporations of capital gains/losses.

8. Discuss non-recognition (deferral) of gains.

Learning Objectives

Explain rules for like-kind exchanges.
Discuss the effects of boot paid and received.
Explain rules for involuntary conversions.

9. Explain the provisions on the sale of personal residence.

Learning Objectives

Define personal residence.
Determine requirements for exclusion of gain.

10. Discriminate nontax factors in business entity selection.

Learning Objectives

Explain limited liability.
Discuss transferability of ownership.

11. Describe basis of the owners of various entity types.

Learning Objectives

Define recourse and non recourse debt.
Discuss distributions.

12. Define sole proprietorships.

Learning Objectives

Review how income/loss is taxed.
Discuss termination of a sole proprietorship.

13. Define partnerships.

Learning Objectives

Explain tax reporting required.
Review rules of conduit entities.
Describe a limited partnership.
Describe a limited liability partnership.

14. Define corporations.

Learning Objectives

Explain how income is taxed.
Indicate a personal service corporation.

15. Define S corporations.

Learning Objectives

Explain tax reporting required.
Elaborate on choice of tax years.

16. Provide an overview of different types of pension plans.

Learning Objectives

Explain qualified and nonqualified plans.
Differentiate between a defined benefit and defined contribution plan.

17. Examine Individual Retirement Accounts (IRA).

Learning Objectives

Differentiate between a traditional and Roth IRA.
Explain contribution limits.

18. Define Alternative Minimum Tax.

Learning Objectives

Differentiate between an adjustment and preference item.
Explain an Alternative Minimum Tax credit.

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.

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