



ACC315: Tax & Managerial Decision

Credit Hours: 3

Contact Hours: This is a 3-credit course, offered in accelerated format. This means that 16 weeks of material is covered in 8 weeks. The exact number of hours per week that you can expect to spend on each course will vary based upon the weekly coursework, as well as your study style and preferences. You should plan to spend 10-25 hours per week in each course reading material, interacting on the discussion boards, writing papers, completing projects, and doing research.

Faculty Information



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Office Hours/Time: Wednesdays & Fridays – 10:30am – 1:30pm EDT

Course Description and Outcomes



This course builds on the basic financial accounting skills developed in various accounting classes based on generally accepted accounting principles (GAAP). The course explores the influence of income tax on the activities of individuals and firms; as well as on decisions that management take to reduce tax obligations or liabilities of the firm. It provides students an understanding of the theory and logic that underlie basic federal tax collection, the various types of taxes, and the largest revenue generators for the federal government. The course also examines the complexity of the tax laws, regulations, and court cases that compose what is referred to as tax authority. Major topics include an introduction to taxation, the income tax formula, self-employed business income, capital gains and other sales of property, rental property, royalties and income from flow-through entities. Students examine payroll taxes, retirement and other tax deferred plans and annuities, partnership and corporation taxation.

Course Learning Outcomes

1. Assess the income tax formula, an introduction to taxation and Form 1040
2. Describe self-employed business income.
3. Examine capital gains and other sales of property.
4. Evaluate rental property, royalties, and income from flow-through entities.
5. Describe payroll taxes.
6. Analyze retirement and other tax deferred plans and annuities.
7. Evaluate partnership taxation.
8. Describe corporate taxation.

Participation & Attendance



Prompt and consistent attendance in your online courses is essential for your success at **Gunu-Institute**. Failure to verify your attendance within the first 7 days of this course may result in your withdrawal. If for some reason you would like to drop a course, please contact your advisor.

Online classes have deadlines, assignments, and participation requirements just like on-campus classes. Budget your time carefully and keep an open line of communication with your instructor. If you are having technical problems, problems with your assignments, or other problems that are impeding your progress, let your instructor know as soon as possible.

Course Materials



Required:

Cruz, A., Deschamps, M., Niswander, F., Prendergast, D., & Schisler, D. (2024). Fundamentals of taxation. (17th ed.). McGraw Hill. ISBN-13: 9781265676988.

Course Schedule



Due Dates

The Academic Week at **Gunu-Institute** begins on Monday and ends the following Sunday.

- Discussion Boards: The original post must be completed by **Thursday at 12 midnight EST** and Peer Responses posted by **Sunday 12 midnight EST**. Late posts may not be awarded points.
- Mastery Exercises: Students may access and retake mastery exercises through the last day of class until they achieve the scores they desire.
- Critical Thinking Activities: Assignments are due **Sunday at 12 midnight EST**.

Week #	Readings	Assignments
1	<ul style="list-style-type: none"> Chapter 1 in Fundamentals of Taxation (17th ed.). 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (10)
2	<ul style="list-style-type: none"> Chapter 6 in Fundamentals of Taxation (17th ed.). 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (10) Critical Thinking (60)
3	<ul style="list-style-type: none"> Chapter 7 in Fundamentals of Taxation (17th ed.). 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (10) Critical Thinking (60)
4	<ul style="list-style-type: none"> Chapter 8 in Fundamentals of Taxation (17th ed.). 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (20) Critical Thinking (60)
5	<ul style="list-style-type: none"> Chapter 10 in Fundamentals of Taxation (17th ed.). 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (10) Critical Thinking (60)
6	<ul style="list-style-type: none"> Chapter 11 in Fundamentals of Taxation (17th ed.). 	<ul style="list-style-type: none"> Discussion Board #1 (15) Discussion Board #2 (10) Critical Thinking (110)
7	<ul style="list-style-type: none"> Chapter 14 in Fundamentals of Taxation (17th ed.). 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (20)
8	<ul style="list-style-type: none"> Chapters 15 in Fundamentals of Taxation (17th ed.). 	<ul style="list-style-type: none"> Discussion Board - #1 (15) Discussion Board - #2 (10) Mastery Exercises (20) Portfolio Assignment (350)

Assignment Details



This course includes the following assignments/projects:

Week 2: Critical Thinking Assignment (60 points)

Hobby Loss Rules and Education Expenses

Rebecca is a doctor with an AGI of \$125,000 before consideration of income or loss from her dog breeding business. Her home is on 15 acres, 10 of which she uses to house the animals and provide them with ample space to play and exercise. Her records show the following related income and expenses for the current year:

Income from fees and sales	\$2,500
Expenses:	
Dog food	\$4,000
Veterinary bills	3,500
Supplies	1,200
Publications and dues	350

Required:

- How must Rebecca treat the income and expenses of the operation if the dog breeding business is held to be a hobby?
- How would your answer differ if the operation were held to be a business?

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

WEEK 3: CRITICAL THINKING (60 Points)

Sale of Business Property

Zofia is self-employed, files a Schedule C, and owns a qualified business for calculation of QBI. Zofia had \$86,000 in taxable business income on Schedule C. On 10/30/2023, Zofia sold some office equipment for \$6,000 which was purchased on 04/04/2020 for a cost of \$7,500. The office equipment is being depreciated over 7-year MACRS half-year convention. Zofia has no other qualified businesses. Zofia's taxable income for the income limitation is \$102,000.

(Hint: it will be useful to use information from Chapter 6, Form 8995, Schedule 1, and Form 1040 as a guide.)

Required:

- a. What is the Section 1245 depreciation recapture (if any) on the sale of the office equipment?
- b. What is the self-employment deduction on the income from Zofia's business?
- c. What is Zofia's Qualified Business Income (QBI) for Form 8995?
- d. What is Zofia's Qualified Business Income Deduction (QBID) for Form 8995?
- e. Assuming there are no other items for Form 8995, what amount(s) will be entered on line 13 of Form 1040?
- f. Assuming there are no other items for Schedule 1, what amount(s) will be entered on line 8 of Form 1040?
- g. Assuming there are no other items for Schedule 1, what amount(s) will be entered on line 10a of Form 1040?

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

WEEK 4: CRITICAL THINKING (60 Points)

Rental of Vacation Homes

Alicia and Marie own a vacation home at the beach. During the year, they rented the house for 42 days (6 weeks) at \$890 per week and used it for personal use for 58 days. The total costs of maintaining the home are as follows:

Mortgage interest	\$4,200
Property taxes	700
Insurance	1,200
Utilities	3,200
Repairs	1,900
Depreciation	5,500

- What is the proper tax treatment of this information on their tax return using the Tax Court method?
- Are there options available for how to allocate the expense between personal and rental use? Explain.
- What is the proper tax treatment of the rental income and expenses if Alicia and Marie rented the house for only 14 days?

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

Week 5: Critical Thinking Assignment (60 points)

Social Security, Medicare, and FUTA Taxes

Angel hired Chris as a housekeeper starting on January 2 at \$750 per month. Angel does not withhold any federal taxes. Assume that Chris is not a housekeeper for anyone else. Assume Angel paid \$2,250 in wages for the fourth quarter of 2023.

Required:

- a. How much in social security tax should Angel pay?
- b. How much in Medicare tax should Angel pay?
- c. How much in FUTA tax should Angel pay?

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

Week 6: Critical Thinking Assignment (110 points)

Rolling Traditional IRA into a Roth IRA

Pablo and his wife Bernita are both age 45. Their combined AGI is \$90,000. Neither is a participant in an employer-sponsored retirement plan. They have been contributing to a traditional IRA for many years and have built up an IRA balance of \$120,000. They are considering rolling the traditional IRA into a Roth IRA.

- a. Is the couple eligible to make the conversion? Why or why not?
- b. Assume that the couple does not make the conversion but, instead, establishes a separate Roth IRA in the current year and properly contributes \$2,000 per year for four years at which point the balance in the Roth is \$21,000 (contributions plus investment earnings). At the end of four years, they withdraw \$12,000 to pay for an addition to their house. What is the tax effect, if anything, of the withdrawal?
- c. Does your answer to (b) change if they instead withdraw only \$6,000? Why or why not?
- d. What if the \$12,000 withdrawal is used to pay qualified education expenses for their daughter who is attending college?

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

WEEK 8 FINAL PORTOFOLIO PROJECT (350 Points)

Determine Taxable Income of a C Corporation

Determine taxable income in each of the following independent cases. In all cases, the company was formed in 2012, was very profitable in all years prior to 2017, and had retained earnings of \$3,000,000 at the end of 2017.

1. In 2018, Company A has taxable income of \$60,000 prior to consideration of any net operating loss. In 2017, the Company incurred a net operating loss of \$10,000. They did not elect to waive the carryback period. Determine 2018 taxable income.
2. In 2018, Company B has taxable income of \$50,000 prior to consideration of any net operating loss. In 2017, the Company incurred a net operating loss of \$20,000. They elected to waive the carryback period. Determine 2018 taxable income.
3. In 2021, Company C has taxable income of \$35,000 prior to consideration of any net operating loss. In 2020, the Company incurred a net operating loss of \$30,000 and elected to forgo the carryback period. Determine 2021 taxable income.
4. In 2021, Company D has taxable income of \$35,000 prior to consideration of any net operating loss. In 2017, the Company incurred a net operating loss of \$5,000. They elected to waive the carryback period. In 2018, the Company incurred a net operating loss of \$40,000. In 2019 and 2020 the company had net income of zero. Determine 2021 taxable income.
5. In 2022, Company E has taxable income of \$40,000 prior to consideration of any net operating loss. In 2023, the company incurred a net operating loss of \$30,000. In 2023, the company had taxable income of \$25,000. Determine taxable income for 2022, 2023, and 2024 and determine the NOL carryforward, if any, to 2025.

Refer to the rubric to ensure meeting all project criteria.

Project Due Saturday by 11:59 PM EST.

Course Policies



Late Work

Students are permitted a 7-day grace period during which they may submit a Critical Thinking assignment after the original due date without penalty. Papers submitted between 8 and 14 days after the original due date will be accepted with a potential 10 percent reduction in grade for late submission. Papers submitted 15 or more days beyond the original due date may not be accepted unless prior arrangements have been made with the instructor. **No Portfolios will be accepted late** and no assignments will be accepted after the last day of class unless a student has requested an incomplete grade in accordance with the Incomplete Policy.

Course Grading

20% Discussion Participation
10% Mastery Exercises
35% Critical Thinking
Activities
35% Final Portfolio Paper

Grading Scale

A	95.0 – 100
A-	90.0 – 94.9
B+	86.7 – 89.9
B	83.3 – 86.6
B-	80.0 – 83.2
C+	75.0 – 79.9
C	70.0 – 74.9
D	60.0 – 69.9
F	59.9 or below
FN*	Failure for Nonparticipation
I**	Incomplete

Artificial Intelligence (AI) Policy:

Students must consult with their instructors before using an AI tool such as GPTZero, ChatGPT, QuillBot etc... in their academic papers.

* Students who stop attending class and fail the course for nonparticipation will be issued the “FN” grade. The FN grade may have implications for financial aid and scholarship awards.

** An “I” grade may be assigned at the instructor’s discretion to students who are in good standing (passing) in the course. Students should have completed a majority of the coursework in order to be eligible for the “I” grade. Students should request an “I” grade from the instructor with a written justification, which must include explanation of extenuating circumstances that prevented timely completion of the coursework. If the request is approved, the instructor will require a written agreement consisting of **a)** the specific coursework to be completed, **b)** the plan to complete the coursework, and **c)** the deadline for completion. The agreement will be kept on file at **GunU-Institute Campus**. An incomplete course must be satisfactorily completed within the time frame stipulated in the agreement, but no later than the end of the following semester from the date the “I” was given. An incomplete not removed within one year shall convert to an F and be included in the computation of the student’s grade point average.

Academic Integrity

Students must assume responsibility for maintaining honesty in all work submitted for credit and in any other work designated by the instructor of the course. Academic dishonesty includes cheating, plagiarism, unauthorized possession of academic materials, and falsification. The **Student Handbook** provides information on how students can avoid plagiarism by understanding what it is and how to use the library and Internet resources appropriately with proper citation. Please refer to the **Academic Catalog** for complete policies regarding plagiarism and academic dishonesty.

APA

Students are expected to follow the **GunU-Institute** requirements when citing in APA (based on the APA Style Manual, 6th edition). For details on **GunU-Institute’s** APA style, please review the APA resources located under the library tab in the course management system.

Netiquette

All posts and classroom communication must be conducted in a professional and respectful manner in accordance with the student code of conduct. Think before you push the Send or Post button. Did you say just what you meant? How will the person on the other end read the words?

Any derogatory or inappropriate comments regarding race, gender, age, religion, sexual orientation, are unacceptable and subject to disciplinary action. If you have concerns about something that has been said, please let your instructor know.

Institutional Policies

Refer to the Academic Catalog for comprehensive documentation of **GunU-Institute’s** institutional policies