

Course Objectives/Course Outline
Spokane Community College

Course Title: Tax I: Individual Income Tax
Prefix and Course Number: ACCT 221

Course Learning Outcomes:

By the end of this course, a student should be able to prepare:

- Identify the concepts of federal taxation of individuals
- Calculate gross income, inclusions, and exclusions
- Apply adjustments to gross income to arrive at adjusted gross income (AGI)
- Prepare the appropriate federal tax forms (1040EZ, 1040A and 1040)
- Define and describe itemized deductions and prepare a Schedule A
- Prepare a Schedule C for a sole proprietorship
- Report Capital Gains and other sales of property and prepare a Schedule D and Form 4797

This course has a variety of uses for students, from assisting them to prepare to become a **Registered Tax Return Preparer**, to meeting the requirements for an Associate of Applied Science Degree at Spokane Community College, to helping them to prepare for the IRS's Enrolled Agent exam.

Materials Required:

- Current year tax textbook.
- IRS publication 17

Course Outline:

In this first individual income tax class, the student, upon completion of the course, will understand and be able to apply:

- I. The general scope of US and California tax structures as it applies to individuals and the conformity and differences between the two.
- II. Who must file a tax return?
- III. Filing status.
- IV. Inclusions in and exclusions from gross income.
- V. Exemptions and deductions.
- VI. Itemized deductions and the appropriate forms to be used.
- VII. Income – classification & appropriate forms.
- VIII. Expenses – classification & appropriate forms.
- IX. Schedule C and other related business forms.
- X. Schedule E and other related forms.
- XI. Tax credits.
- XII. Special California income tax preparation issues.
- XIII. Special Topics – taxpayer penalties, nonresident and alien issues, legislative update.
- XIV. Developing tax research skills.

XV. Fundamentals of the most widely used tax preparation software.

Additionally, there are new federal requirements that must be met by non-licensed tax preparers. This includes anyone who prepares taxes for a fee and is not an Attorney, CPA, or Enrolled Agent. These requirements will be instituted in two stages. The first requirement that has already gone into effect is that all preparers must file for a PTIN (Preparer Tax Identification Number) through the IRS PTIN database. That site can be accessed at <http://www.irs.gov/taxpros/article/0,,id=210909,00.html>. The second stage, which is now on hold due to a court case, was requiring that all non-licensed preparers pass a qualifying exam in order to maintain their ability to prepare taxes.

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