

# Common Course Outline

ACCT 242

Tax Accounting II

3 Semester Hours

## The Community College of Baltimore County

### Description

#### **Tax Accounting II**

Examines federal income tax laws and how they are applied to partnerships, corporations, estates and trusts; demonstrates the actual preparation of federal and state tax returns.

3 credits: 3 lecture hours per week. *Prerequisite: ACCT 241*

### Overall Course Objectives

Upon completion of this course the student will be able to:

1. Apply steps in the tax research process;
2. Explain the statements of responsibilities in a tax practice;
3. Explain tax considerations in forming a corporation, including Section 351 and choice of capital structure;
4. Compute a corporation's taxable income and tax liability, given a set of financial data;
5. Apply tax accounting procedures to nonliquidating property distributions such as stock dividends and stock rights;
6. Explain tax considerations in forming a partnership;
7. Compute a partnership's taxable income and each partner's tax liability, given a set of financial data;
8. Explain tax considerations in forming an S corporation;
9. Compute an S corporation's taxable income and each shareholder's tax liability, given a set of financial data;
10. Explain the concept of transfer taxes;
11. Apply the gift tax formula and compute the gift tax liability, given a set of financial data;
12. Explain the estate tax formula and the typical inclusions and deductions of a gross estate;
13. Compute the tax liability of an estate, given a set of financial data;
14. Explain the basic concepts and principles of fiduciary accounting;
15. Compute a simple trust's taxable income and tax liability, given a set of financial data.

### Major Topics

- I. Tax research
- II. Corporate formations and capital structure
- III. Corporate income tax
- IV. Partnership formation and operation
- V. S Corporations
- VI. Gift tax
- VII. Estate tax
- VIII. Taxation of trusts and estates

### Course Requirements

Through a variety of learning experiences including lecture, class discussion, and audio-visual material, the students will apply tax accounting concepts and procedures.

Grading/exams: Grading procedures will be determined by the individual faculty member, but may include the following:

1. Examinations that include practical applications.
2. Graded assignments that provide appropriate feedback of the student's mastery of applications and concepts.

Writing: Evaluation of student performance will include some formal and/or informal writing assignments that contribute to the mastery of writing within the discipline of accounting. The individual faculty member will determine specific writing assignments.

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