

**Accounting**  
**Course Number: 22:010:603**  
**Course Title: Income Taxation**

## **COURSE DESCRIPTION**

This course is designed for tax students to explore the fundamental principles and concepts of federal income taxation. This includes identifying income, determining if the income is included or excluded from taxation, understanding the timing of income recognition as well as the character of income. Students will also study tax deductions understanding what is allowable as well as the timing of when the deduction may be claimed on an income tax return. Students will also study the taxation of property transactions, including sales and other dispositions.

The course format will include lectures, discussions, and some group problem solving. There will be a heavy emphasis of studying the Internal Revenue Code and other primary sources of tax law (Regulations Court Cases, etc.). This will be reinforced through class lectures, and solving homework problems related to each lesson, enabling the tax student to apply and understand the materials covered in this course.

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## **COURSE MATERIALS**

### **Required textbook:**

**Fundamentals of Income Taxation** (19<sup>th</sup> edition) Freeland, Lanthrope, Lind, and Stevens. Foundation Press, 2018 ISBN: 9781640208520 or 9781640209558 (casebook plus option).

**Selected Federal Tax Statutes and Regulations.** Code sections and regulations that are cited in the casebook at the beginning of each section are included in the assigned material. You will need to purchase: Selected Federal Taxation Statutes and Regulations, 2019 (West Publishing, 2018). ISBN: 9781640208179.

### **Suggested supplements (not required):**

Federal Income Taxation (14th ed), written by Marvin Chirelstein & Lawrence Zelenak. Used prior editions are available at a substantial discount but will not include the 2017 Tax Act.

Federal Income Tax: Examples and Explanations, written by Katherine Pratt, Thomas D. Griffith, and Joseph Bankman. Used prior editions are available at a substantial discount but will not include the 2017 Tax Act.

### **Course Web Site - CANVAS:**

Course announcements, homework assignments, materials and other information will be posted on the course web site:

**<https://canvas.rutgers.edu>**

Use your Rutgers NETID and Password to login.

Click on this course in order to access announcements, course documents, and other important information about our course. Please check Canvas frequently. I will be posting important class announcements from time to time.

The use of any audio or video devices (including cell phones) is PROHIBITED in class and during office hours.

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## **LEARNING GOALS AND OBJECTIVES**

- This course is designed to help students develop skills and knowledge in the following area(s):

- To gain a general understanding of the ways in which the Internal Revenue Code has evolved;
- To master fundamental concepts of taxation such as income, deductions, and recognition events;
- To distinguish between capital and non-capital assets and to grasp the tax implications associated with these classifications; and
- To know when accretions to wealth must be taken into income and when deductions are allowed.

- Students who complete this course will demonstrate the following:

- A BASIC UNDERSTANDING THE CODE AND ITS MECHANICS
- HOW TO COMPUTE TAXABLE INCOME
- GENERAL PUBLIC POLICIES THAT UNDERLIE THE CODE

- Students develop these skills and knowledge through class attendance and exam preparation.

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## **PREREQUISITES**

None

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## **ACADEMIC INTEGRITY**

*I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)*

*I will strongly enforce this Policy and pursue all violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through SafeAssign or Turnitin, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.*

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## **ATTENDANCE AND PREPARATION POLICY**

Both attendance and participation is expected of every student. It is imperative that all readings and assigned problems are attempted prior to the class in which it is lectured and reviewed. The material in this class is not easily grasped unless one is fully prepared for the class lecture. Cramming is not effective in the study of taxation.

Class time will be divided between lecture and reviewing assigned homework problems. All students are expected to read the assigned material and complete the assigned homework prior to coming to class. It is expected that you come to class well prepared to participate in class discussions and in the homework review. From time to time, I may use PowerPoint, but lecture notes will be the primary source of information.

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## **EXAM DATES AND POLICIES**

Both the midterm and final exams will be open code and notes (written or typed), you may also use a calculator. **No laptops cell phones or other devices including smart watches may be used during the final exam.**

There are no makeup exams.

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## **GRADING POLICY**

**IMPORTANT: Your final grade will be based solely on your performance on your midterm and final exam. The weightings are as follows:**

	<u>Points</u>	<u>%</u>
Midterm	90	45%
Final	<u>110</u>	<u>55%</u>

**Total**                      **200**                      **100%**

There will be **NO EXTRA CREDIT** or other factors that impact your final grade. Grades are not subject to negotiation. If you believe that an error has been made, students must submit a written explanation of the error within one week of receiving their grade. The fact that a student “tried hard” or had conflicting commitments and was unable to study does not warrant a grade change.

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## **COURSE SCHEDULE**

**(13 classes including mid-term plus 1 day for final exam)**

I will assign readings, etc. at each class. For our first class, please read Chapter 2 of the case book, the cited code and regulations (shown in your casebook), as well as the handout I will post to canvas under “course documents”. Also do the homework (problems in the book as well as any additional problems that I post to canvas under the “assignments” tab. At each subsequent class, I will be assigning weekly readings of approx. 25 – 40 pages. I cannot stress enough to keep up with the work, and not to fall behind.

### **INTRODUCTION TO FEDERAL INCOME TAXATION**

Gross Income (pp. 43-63)/ Damages and Related Receipts (pp. 187 – 200)

Exclusion of Gifts and Inheritances (pp. 65-87) / Employee Benefits (pp. 89-104)

Gains from Dealing in Property (pp. 115-155)

Capital Gains and Losses (pp. 683-763) - Week 1

Capital Gains and Losses (pp. 683-763) Week 2 /

Characterization of Gain on the Sale of Depreciable Property (pp. 765-781)/ Week 1

Characterization of Gain on the Sale of Depreciable Property (pp. 765-781)/ Week 2

Review for Midterm

**MIDTERM**

**NO CLASS**

Discuss Midterm

Assignment of Income (pp. 237-270)/ Week 1

Assignment of Income (pp. 237-270) / Week 2

Business Deductions (pp. 309-432) / Week 1

Business Deductions (pp. 309-432) / Week 2

Business Deductions (pp. 309-432)/ Week 3

Deductions for Profit - Making, Nonbusiness Activities (pp. 433-465)

Fundamental Timing Principals (pp. 587-646)/ Week 1

Fundamental Timing Principals (pp. 587-646)/ Week 2

Review for Final Exam

FINAL EXAM

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## SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email [dsoffice@echo.rutgers.edu](mailto:dsoffice@echo.rutgers.edu)]

[Rutgers University-Newark ODS phone (973)353-5375 or email [ods@newark.rutgers.edu](mailto:ods@newark.rutgers.edu)]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email [jackie.moran@rutgers.edu](mailto:jackie.moran@rutgers.edu)]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu)]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email [deanofstudents@echo.rutgers.edu](mailto:deanofstudents@echo.rutgers.edu)]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email [DeanofStudents@newark.rutgers.edu](mailto:DeanofStudents@newark.rutgers.edu)]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout\\_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7). You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu). If you wish

to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email [run.vpva@rutgers.edu](mailto:run.vpva@rutgers.edu)]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of **legal** services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to **English as a second language (ESL)** should contact the Program in American Language Studies for supports.

[Rutgers–Newark: [PALS@newark.rutgers.edu](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto:eslpals@english.rutgers.edu)]

If you are in need of additional **academic assistance**, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]