

**BAD 102 Course Outline as of Spring 2020****CATALOG INFORMATION**

Dept and Nbr: BAD 102 Title: EA - BUSINESS TAX

Full Title: Enrolled Agent - Business Taxation

Last Reviewed: 1/23/2023

Units		Course Hours per Week		Nbr of Weeks	Course Hours Total	
Maximum	3.00	Lecture Scheduled	3.00	17.5	Lecture Scheduled	52.50
Minimum	3.00	Lab Scheduled	0	6	Lab Scheduled	0
		Contact DHR	0		Contact DHR	0
		Contact Total	3.00		Contact Total	52.50
		Non-contact DHR	0		Non-contact DHR	0

Total Out of Class Hours: 105.00

Total Student Learning Hours: 157.50

Title 5 Category: AA Degree Applicable

Grading: Grade or P/NP

Repeatability: 00 - Two Repeats if Grade was D, F, NC, or NP

Also Listed As:

Formerly:

**Catalog Description:**

This is one of a series of courses designed to prepare students to take the Internal Revenue Service (IRS) Enrolled Agent Exam. This course covers tax issues that relate to businesses which include: business entity types, income, business expenses and other deductions, adjustments to cost basis, depreciation, depletion, amortization, credits and other losses and partnerships and corporations' formation, contributions, disposition, distributions and retirement plans.

**Prerequisites/Corequisites:****Recommended Preparation:**

Eligibility for ENGL 100 or ESL 100 and Course Completion of BGN 81

**Limits on Enrollment:****Schedule of Classes Information:**

Description: This is one of a series of courses designed to prepare students to take the Internal Revenue Service (IRS) Enrolled Agent Exam. This course covers tax issues that relate to businesses which include: business entity types, income, business expenses and other

deductions, adjustments to cost basis, depreciation, depletion, amortization, credits and other losses and partnerships and corporations' formation, contributions, disposition, distributions and retirement plans. (Grade or P/NP)

Prerequisites/Corequisites:

Recommended: Eligibility for ENGL 100 or ESL 100 and Course Completion of BGN 81

Limits on Enrollment:

Transfer Credit:

Repeatability: Two Repeats if Grade was D, F, NC, or NP

## **ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:**

<b>AS Degree:</b>	<b>Area</b>	<b>Effective:</b>	<b>Inactive:</b>
<b>CSU GE:</b>	<b>Transfer Area</b>	<b>Effective:</b>	<b>Inactive:</b>
<b>IGETC:</b>	<b>Transfer Area</b>	<b>Effective:</b>	<b>Inactive:</b>
<b>CSU Transfer:</b>		<b>Effective:</b>	<b>Inactive:</b>
<b>UC Transfer:</b>		<b>Effective:</b>	<b>Inactive:</b>

**CID:**

**Certificate/Major Applicable:**

Certificate Applicable Course

## **COURSE CONTENT**

### **Student Learning Outcomes:**

At the conclusion of this course, the student should be able to:

1. Identify the preliminary work to prepare tax returns for businesses and partnerships.
2. Apply the IRS (Internal Revenue Service) code to determine income, business expenses and other business deductions.
3. Demonstrate how to apply IRS tax code for other credits, losses, taxes and cost-basis transactions for different entities.

### **Objectives:**

Upon completion of the course, students will be able to:

1. Apply the process used to determine basic filing requirements for different business entities.
2. Compare and contrast the determination of income between different types of entities.
3. Explain the principles and procedures used to determine business expenses, deductions, credits, distribution, redemptions, liquidations and other losses between various entities.
4. Correctly identify the cost basis for property related adjustments using the Uniform Capitalization Rules.
5. Examine and apply IRS tax code for retirement plans, decedent taxes, estate taxes, trusts and exempt organizations.

### **Topics and Scope:**

#### **I. Filing Requirements**

- A. Preliminary Work to Prepare Tax Returns
- B. Filing Status

- C. Filing Requirements
- D. Business Entities, accounting methods, accounting procedures.
- II. Income
  - A. Gross Income
  - B. Self-Employment Income
  - C. Farming Income and Expense
  - D. Like-Kind Exchanges and Involuntary Conversions
- III. Business Expenses
  - A. Compensation
  - B. Cost of Goods Sold
  - C. Interest Expense
  - D. Rent Expense
  - E. Taxes
- IV. Other Deductions
  - A. Entertainment Expenses
  - B. Travel and Insurance Expenses
  - C. Bad Debts
  - D. Business Gifts
  - E. Business Use of Homes
  - F. Statutory Employees/Nonemployees
  - G. Other Business Expenses
- V. Cost Basis and Depreciation
  - A. Basis
  - B. Adjustments to Basis
  - C. Uniform Capitalization Rules
  - D. Depreciation Method and Recapture
  - E. Amortization and Depletion
- VI. Credits, Losses and Additional Taxes
  - A. General Business Credit
  - B. Net Operating Loss
  - C. Casualty, Hobby and Theft Losses
  - D. Additional Taxes
- VII. Partnerships
  - A. Filing Requirements
  - B. Interest and Contributions
  - C. Taxable Income
  - D. Distribution of Assets
  - E. Sale and disposition of partnership
- VIII. Corporations and S Corporations
  - A. Filing requirements
  - B. Income and losses
  - C. Deductions and distributions
  - D. Liquidations and Redemptions
- IX. Decedent, Estate, and Trust Income Taxes
  - A. Simplified Employee Pensions
  - B. Savings Incentive Match Plans
  - C. Keoph Plans
  - D. Retirement Distributions and Loans

**Assignment:**

1. Reading of text and other written material (20 to 30 pages per week)

2. Homework involving problem solving and calculation skills
3. Group case research, report, analysis, and presentation
4. 3 to 5 exams, including mid-term and final exam

### Methods of Evaluation/Basis of Grade:

**Writing:** Assessment tools that demonstrate writing skills and/or require students to select, organize and explain ideas in writing.

Group case report

Writing  
10 - 30%

**Problem Solving:** Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Homework problems and group case analysis

Problem solving  
10 - 25%

**Skill Demonstrations:** All skill-based and physical demonstrations used for assessment purposes including skill performance exams.

None

Skill Demonstrations  
0 - 0%

**Exams:** All forms of formal testing, other than skill performance exams.

Exams, mid-term and final exam (multiple choice)

Exams  
30 - 60%

**Other:** Includes any assessment tools that do not logically fit into the above categories.

Participation and group case presentation

Other Category  
5 - 15%

### Representative Textbooks and Materials:

Gleim Enrolled Agent Review Exam Prep Book- Part 2 Businesses. Gleim, Irvin and Hasselback, James. Gleim Publications. Current Edition