



**BUSI 3005 A & B
Taxation I
Fall 2011**

1.0 COURSE COORDINATOR, INSTRUCTOR AND TIMING

Associate Professor François BROUARD, DBA, CA (instructor and course coordinator)
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Teaching assistants (TA) (depending on budget allocation)
Room 922, Dunton Tower

Lecture:

<u>Section</u>	<u>Instructor</u>	<u>Time</u>	<u>Room</u>
B	François Brouard	Thursday 11h35 - 14h25	?
A	François Brouard	Friday 8h35 - 11h25	?

2.0 PREREQUISITES

BUSI 2001 (with a grade of C- or better)

The Sprott School of Business enforces all prerequisites.

Precludes additional credit for BUSI 2005.

<p>This course is a prerequisite to BUSI 4005 (with a grade of C- or higher)</p>

3.0 COURSE DESCRIPTION

Federal income tax laws and regulations and their impact on an individual's financial and business decisions. Problems, issues and planning associated with the Income Tax Act and concerned with the computation of taxable income and taxes payable by an individual are discussed.

4.0 COURSE OBJECTIVES

Accountants cannot make intelligent business decisions without first considering the tax implications of the choices. An understanding of Canadian taxation is therefore necessary in order to make those decisions.

BUSI3005 is the first of two introductory courses (with BUSI4005) in income tax law which are designed to achieve the following objectives:

- (1) to explain the theoretical concepts behind the specific provisions of the law,
- (2) to apply the law in practical problems and case settings,
- (3) to interpret the law, taking into account the specific wording of the provisions, judicial decisions and the Canada Revenue Agency's (CRA) position, and
- (4) to introduce basic tax planning concepts through cases application.

This taxation course is an introduction to tax principles and practices. The focus of BUSI3005 (Taxation I) is on fundamental principles and personal income tax. The focus of BUSI4005 (Taxation II) is on corporate income tax and some specialized topics.

5.0 METHOD OF INSTRUCTION

The format of the course consists generally of one 170-minute class meetings per week. Due to time constraints not all chapter material will be covered in class. Students are responsible for the entire content of each chapter of the textbook as well as all additional topics discussed in class, except for those areas specifically excluded by the instructor.

Class sessions entail a mixture of lecture, case study, problem analysis, and class discussion. The content of any lecture presumes and expects you have carefully studied the assigned reading. Lectures emphasizes major topics and readings, yet you are responsible for all assigned materials. It requires active learning, which means that the student must take responsibility for the learning that takes place. You must do the cases and readings assigned and be prepared for each class. You are encouraged to ask questions and to stimulate discussion on topics that you have difficulty understanding.

6.0 GRADING SCHEME

Your grade for the course will depend on both individual work and group work outside of the class, and classroom contributions, as outlined below:

Individual Class Participation	10	(see section 6.1)
Assignments	40	(see section 6.2)
Final Exam (three hours)	* 50	(see section 6.3)
TOTAL	** 100	

* **To pass the course, students must obtain at least 45% on the final examination in addition to other requirements.**

** Satisfactory In-term Performance

- 1) The requirement for Satisfactory In-term Performance is set at 50% of all, not each, pre-final term work (i.e. assignments, participation marks, quizzes, etc.).
- 2) Unsatisfactory In-term Performance in this course will lead to Failure in this course (regardless of the performance at the Final exam) FND (Failure, no deferral) grade in this course (in case of missed Final exam)

6.1 Individual Class Participation:

The intent is to have a very interactive class. Students are expected to contribute to class discussions on a constructive and regular basis. Much of your learning will occur during class and cases discussions. Points will be awarded for contributions to the class. Class participation points are not awarded exclusively for "good" answers to questions. Contributions to the class also include asking thoughtful questions, helping to understand complicated ideas, suggesting reasonable alternatives, and being willing to try out new ideas. Individuals may also be asked to present from time to time as part of the individual participation component. Participation also includes occasional announced and unannounced quizzes.

Each student is expected to prepare cases before each class. A listing of cases is provided on the course website. Self-study problems in the textbook will also provide the student with the opportunity to practice the course material.

Students' working papers will attest the attempts made by the student to learn the concepts and solve the cases. Points may be awarded for preparation of cases. If deemed necessary by the instructor, as announced in WebCT, students should bring their working papers because the instructor could ask them to examine the work done from time to time.

6.2 Assignments:

The assignments include problems and cases. They may be completed individually or in groups of two or three (in the same section). If completed in groups, only one assignment per group should be handed in. The cover page (see model on the course website) must indicate a statement signed by each student, indicating that each group member has contributed to the assignment and has respected plagiarism rules. The content of each assignment will be posted on the course website.

Hand-in Assignment at the beginning of each class to the instructor. If it is not handed-in before the due date, it will be considered late and subject to a 100% PENALTY.

**NO LATE ASSIGNMENTS WILL BE ACCEPTED.
MAKE-UP ASSIGNMENTS ARE NOT PROVIDED.**

Be sure to keep a copy for yourself of all your assignments and reports submitted. The time limit for revision of the assignments is equal to 2 weeks after the date of return.

The suggested solutions will be made available so that students can check their own solutions and thereby determine their understanding of the material. The instructor should be consulted if the student has difficulty in understanding the suggested solution.

Graded assignments involve both technical aspects and judgment aspects. Consequently, the grading of these cases and problems has both objective and subjective components. The course instructor is committed to providing you with adequate feedback on subjective components of your grades. Additional feedback from your instructor is always available through consultations during scheduled office hours or by arrangement.

For interested students, it is possible to replace the marks of some assignments with the mark on the production of a paper in a competition on a tax subject. However, a written agreement should take place between students and the instructor in the first two weeks of the class. A strong commitment is required. The substitution will add to students workload. The grade on the research assignment will replace the assignments.

CTF (Canadian Tax Foundation)
Student paper competition

<http://www.ctf.ca/CTFAwards/ctfawards.asp>

6.3 Final Exam:

A three-hour Final Exam will be scheduled during the period December 8-21, 2011. Final date, time and place to be announced. No exceptions will be made for students with conflicting travel plans during the exam time. Material covered during the entire term is subject to be on the final examination.

No books or papers shall be permitted in the examination room. A Tax Appendix with various information will be provided by the instructor as part of the final exam.

7.0 EXAM POLICY

University Policy will be strictly adhered to.

Note: Supplemental and grade raising exams are not available in this course.

The only acceptable reason for missing the exam is illness supported by a medical certificate. Please note that there is a formal university policy that governs the administration of deferred exams which are scheduled approximately two months after the end of term, i.e. February for fall courses and June for winter courses. If you are planning to graduate in the Spring, and miss the exam due to illness, you will not graduate at Spring convocation, as the course grade will not be available before June or July.

8.0 OFFICE HOURS

Instructors office hours (without and with appointment) will be announced in class and posted on the course website. A note will also be posted beside Instructor office door.

Teaching assistants may be available for consultation depending on budget allocation. Days, times and location will be announced in class by the instructor and posted to the course website, if any.

9.0 COURSE MATERIALS

9.1 Required Texts

- BEAM, R.E., LAIKEN, S.N., BARNETT, J.J. Introduction to Federal Income Taxation in Canada, 2011-2012, 32th ed., Toronto, CCH. (with CD-ROM).
 - CCH TaxWorks (including Federal Income Tax Act and Bulletins)
 - Student problem sets
 - Cantax Software for Individual (T1) and corporate (T2) tax return
 - Income Tax Act
- Federal Income Tax Act, 9th ed., CICA, 2011. [FITA]
Note: FITA is sold by CICA with the book Ernst & Young Guide to Tax Research and Writing (2011) and a CD as gifts. (ISBN 978-1-55385-583-5)
or
Canadian Income Tax Act with Regulations, 92th ed., CCH, Autumn 2011. [CITA]
or
Practitioner's Income Tax Act, 40th ed., Carswell, September 2011. [PITA]

9.2 Web page

The instructor will make extensive use of the Internet to post course materials and other announcements. A WebCT page is used for announcements and posting of course materials. You could find the course WebCT page:

<http://webct6.carleton.ca>

See also

<http://sprott.carleton.ca/~fbrouard/linkstax.html>

9.3 Carleton Library Tax References

CCH TaxWorks - Income Tax Collection

You must obtain username and passwords from the Library Information Desk. The Library subscription is restricted to Carleton University members only.

Contents:

- Canadian Tax Reporter (Commentaries, ITA, ITAR, regulations, IT, IC)
- Provincial Tax Reporter [Ontario and Québec]
- Dominion Tax Cases
- Window on Canadian Tax
- Canadian Master Tax Guide
- Tax Treaties and Social Security Agreements

9.4 Supplemental References

- BUCKWOLD, W.J., KITUNEN, J. Canadian Income Taxation: Planning and Decision Making, 2011-2012 ed., Toronto, McGraw-Hill Ryerson, 2011.
- BYRD, C., CHEN, I. Canadian Tax Principles, and Canadian Tax Principles - Study Guide, 2011-2012 ed., Toronto, Pearson Canada, 2011.
- CANADIAN TAX FOUNDATION. TaxFind, latest version, Toronto, Canadian Tax Foundation. (CD or access code may be distributed free to all students by the instructor)

- DENHAMER, J., FEIL, L.M., LAMARRE, S. Taxation in Canada, 2009-2010 ed., Toronto, CCH, 2009.
- DUFF, D.G., ALARIE, B., BROOKS, K., PHILIPPS, L. Canadian Income Tax Law, 3rd ed. Toronto, Lexis Nexis Butterworths, 2009.
- EDGAR, T., SANDLER, D. Materials on Canadian Income Tax, 14th ed., Toronto, Carswell, 2010.
- FLEMING, J. UFE Tax: A Guide to Understanding the Basics of Income Taxation, 2nd ed., Toronto, Carswell, 2010.
- HOGG, P.W., MAGEE, J. E., LI, J. Principles of Canadian Income Tax Law, 7th edition, Toronto, Carswell, 2010.
- KRISHNA, V. Fundamentals of Income Tax Law, Toronto, Carswell, 2010.
- KRISHNA, V. The Fundamentals of Canadian Income Tax, 9th edition, Toronto, Carswell, 2006.
- MAGEE, J. Understanding Income Tax, 2010-2011 ed., Toronto, Carswell, 2010.
- MAGEE, J. Insight into Canadian Income Tax, 2011-2012 ed., Toronto, Carswell, 2011.
- SCHOLES, M.S., WOLFSON, M.A., ERICKSON, M., MAYDEW, E.L., SHEVLIN, T. Taxes and Business Strategy: A Planning Approach, 2nd ed., Upper Saddle River, Prentice-Hall, 2002.

9.5 Governmental sources

Canada Revenue Agency (CRA) / Agence du revenu du Canada (ARC)	http://www.cra-arc.gc.ca/
Department of Finance Canada	http://www.fin.gc.ca/
Department of Justice Canada	http://canada.justice.gc.ca
Tax Court of Canada (TCC)	http://www.tcc-cci.gc.ca/
Federal Court of Canada (FCC)	http://www.fct-cf.gc.ca/
Supreme Court of Canada (SCC)	http://www.scc-csc.gc.ca/
House of Commons	http://www.parl.gc.ca/
Ministry of Finance Ontario, Tax Revenue Division	http://www.trd.fin.gov.on.ca/
Ministère des Finances Québec	http://www.finances.gouv.qc.ca/
Ministère du Revenu du Québec	http://www.mrq.gouv.qc.ca/

9.6 Tax associations

Canadian Tax Foundation (CTF) / Association canadienne d'études fiscales (ACEF)	http://www.ctf.ca/
Association de planification fiscale et financière (APFF)	http://www.apff.org/

9.7 Other Carleton University resources

Carleton University websites

Carleton University	http://www.carleton.ca/
Sprott School of Business	http://www.sprott.carleton.ca/
Carleton University Library	http://www.carleton.ca/library
Sprott Business Students' Society (SBSS)	http://www.sbsscouncil.ca/
Sprott Accounting Students' Association (SASA)	http://www.cusasa.com/
Sprott Paper Writing Guidelines	http://www.sprott.carleton.ca/studentservices/resources/printable/documentation_guide.pdf

10.0 CONDUCT

Professional conduct is built upon the idea of mutual respect. Such conduct entails (but is not necessarily limited to):

- *Attending the class.*

Each class benefits from the attendance and participation of all students. Your grade for participation will be affected by absences. Regular class attendance is important and required. I expect you to attend class and contribute to a quality discussion. Class and team discussion of the materials (e.g., readings, assignments, and cases) are an important part of the learning process. If circumstances prevent attendance at a class meeting, please remember that you are responsible for all materials discussed, handouts distributed, assignments covered, and announcements made.
- *Arriving on time.*

Late arrivals are disruptive to both lectures and class discussion, and show disrespect to those who are on time.
- *Minimizing disruptions.*

You should not leave and re-enter the class. You should avoid engaging in side conversations after class has begun.
- *Focusing on the class.*

While you may take notes on laptops, do not use laptop computers or hand-held devices for other tasks while in class. Activities such as net surfing, and answering email are very impolite and disruptive both to neighbors and the class.
- *Being prepared for class.*

You should be ready to discuss any assigned readings and to answer any assigned questions for each day's class, including being ready to open a case assigned for that day.
- *Respect.*

You should act respectfully toward all class participants. Class participation grading reflects student adherence to these principles; students gain credit for contributing valuable insights and students lose credit if they fail to adhere to any of the above guidelines.
- *Cellular phones.*

The use of cellular phones IS NOT PERMITTED in this class. It is disruptive to the instructor and class members. If you carry a phone to class, please make sure it is turned off. If an emergency situation requires you to keep your cell phone turned on you may wish to keep the silent mode on, please discuss this with the instructor prior to the class starting.

11.0 STUDENT PREPARATION

11.1 Background reading

Each course module contains readings about tax concepts and issues. The content of any lecture presumes and expects you have carefully studied the assigned reading.

11.2 Homework cases and problems

Students learn technical tax materials best when they have to apply them, rather than listening to lectures. So, you should expect to solve problems every week. Some of the cases and problems are for self-study; solutions are provided. Some of the cases and problems will be important preparation for the class discussions (which affect your individual participation points). You can't expect to become a professional athlete only by watching sports on TV. It's the same thing with tax.

11.3 Aids to help you answer the questions raised by the cases and problems

These aids may take many forms depending on requests in WebCT discussion forum. It could be a list of hints to help you get started or progress. Sometimes, there will be supplemental readings. Other times, the aids will direct you to one of the campus or local libraries to use computer databases or other reference materials to find the information you need to help you solve the cases or problems.

11.4 Suggested approach

You could look at your study habits with the following questions.

- Have you got an overview of the chapter before the lecture?
- Have you read the slides before the lecture?
- Have you prepared cases before the lecture?
- Have you prepared your questions before attending classes?
- Have you attended class as an active learner and participant?
- Have you prepared for class as per your instructor directives?
- Have you read the chapter?
- Have you tried to solve the recommended problems/cases?
- Have you compared your personal solutions with the solutions?
- Have you tried to understand the materials by discussing it with colleagues?
- Have you consult your instructor with your problems?
- Have you consulted TA's with your problems?

12.0 ACADEMIC INTEGRITY

Ethics and values are very important in accounting and the world of business, non-profit and government organizations. We will consider ethical issues in accounting throughout this course. Ethics and values are also important in education. Instructors will assume, unless there is evidence to the contrary, that you are an ethical student. To help you fulfill your ethical responsibilities as a student, the ethical standards for this course are listed below.

12.1 Graded Group Assignments

All work is to be performed exclusively by the members of the group and all group members must contribute their fair share to each assignment. If outside research is performed, sources are to be cited and information discovered via outside research is to be clearly labeled as such. If outside research is performed, the products of your research are not to be shared with any student who is not a member of the group.

12.2 Examinations

All exams must be the exclusive work of the individual student.

12.3 Plagiarism

The University's Senate defines plagiarism in the regulations on instructional offences as: "to use and pass off as one's own idea or product work of another without expressly giving credit to another."

Borrowing someone else's answers, unauthorized possession of tests or answers to tests, or possession of material designed to help answering exam questions, are also subject to university policy regarding instructional offences. For more information on Carleton University's Academic Integrity Policy, consult:
http://www.carleton.ca/studentaffairs/academic_integrity

The photocopying of substantial portions of a textbook (e.g. more than 1 chapter or 15% of the total page count) without the publisher's permission is another misuse of intellectual property, and is also a violation of Canadian copyright law. You may also find useful information at: <http://www.library.carleton.ca/copyright/>

12.4 Penalty for academic integrity violations

University recommended sanctions for academic integrity violations will be imposed. All academic integrity violations must be reported.

13.0 REQUIRED CALCULATOR IN BUSI COURSE EXAMINATIONS

Starting Fall 2007, only Texas Instruments BA II Plus calculators will be permitted in all Business course examinations. This calculator is available in the campus bookstore (1st floor, University Centre) and at various other off-campus retail stores.

14.0 GROUP WORK

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. If you have a group assignment, you may find useful the resources at http://sprott.carleton.ca/academic_programs/groupwork.html

Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

15.0 MEDICAL CERTIFICATE

Please note that in all occasions that call for a medical certificate you must use or furnish the information demanded in the standard university form.

http://www.carleton.ca/registrar/forms/Med_Cert_Carleton_University.pdf

16.0 PERSONS WITH DISABILITIES

Students with disabilities requiring academic accommodations in this course are encouraged to contact a coordinator at the Paul Menton Centre (PMC) for Students with Disabilities to complete the necessary letters of accommodation. After registering with the PMC, make an appointment to meet and discuss your needs with your instructor at least two weeks prior to the first in-class test or ITV midterm exam. This is necessary in order to ensure sufficient time to make the necessary arrangements. Please note the deadlines for submitting completed forms to the PMC for formally scheduled final exam accommodations: November 11, 2011 for Fall and Fall/Winter term courses, and March 7, 2012 for Winter term courses. For all PMC information, please refer to <http://www.carleton.ca/pmc/>

17.0 RELIGIOUS OBSERVANCE

Students requesting academic accommodation on the basis of religious observance should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is

known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

18.0 PREGNANCY

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

19.0 CHANGES TO THE SYLLABUS

A syllabus is a tool to help you plan your time. Every effort is made to make the syllabus as complete as possible, but there may be occasions when changes are required. The instructor will announce any deviations from the syllabus in class and the change will be posted on the course web page.

20.0 RELEVANT DATES

- | | |
|---|---------------------|
| - Academic Orientation. | September 6-7, 2011 |
| - Classes begin | September 8, 2011 |
| - Last day for registration | September 21, 2011 |
| - Last day to change courses or sections | |
| - University Day at Carleton, Classes suspended | October 7, 2011 |
| - Statutory holiday, University closed | October 10, 2011 |
| - Last day to submit, to the Paul Menton Centre for Students with Disabilities, Formal Examination Accommodation Forms for final examinations | November 11, 2011 |
| - Last day for tests or examinations in course | November 21, 2011 |
| - Last day of Fall-term classes | December 5, 2011 |
| - Fall term ends | |
| - Final exam | December 8-21, 2011 |

BUSI 3005 - SUMMARY OF SCHEDULE - Fall 2011

	Lecture		Chapter	Topic
	Thursday	Friday		
L1	Sept 8	Sept 9	1	Introduction to Course Introduction to Canadian Tax System Tax Policy and Legislation Overview of Net Income, Taxable Income, Individual Tax
L2	Sept 15	Sept 16	2 14	Principles of Tax Planning Liability for Tax / Residency Procedures and Administration
L3	Sept 22	Sept 23	10	Overview on How to use the Income Tax Act (ITA) Net Income - Basics Taxable Income - Basics Tax Payable for Individuals - Basics
L4	Sept 29	Sept 30	3	Income from an Office or Employment
	Oct 6			No class
		Oct 7		No class (University day)
L5	Oct 13	Oct 14	4	Income from a Business
L6	Oct 20	Oct 21	4 5	Income from a Business Capital Cost Allowance and Cumulative Eligible Capital
L7	Oct 27	Oct 28	6 9	Income from Property Other Income and Other Deductions
L8	Nov 3	Nov 4	7, 8	Capital Gains and Capital Losses Net Income for Individuals
L9	Nov 10	Nov 11	9 8 8	Deferred Income Plans Non arm's length transactions Income attribution
L10	Nov 17	Nov 18		No class
L11	Nov 24	Nov 25	10	Taxable Income and Tax Payable for Individuals
L12	Dec 1	Dec 2	10	Taxable Income and Tax Payable for Individuals Tax Planning Review Class
L13	Dec 6 (or 7)			Review Tutorial (if needed)
	December 8-21			Final Exam

BUSI 3005 - SUMMARY OF DUE DATE - Fall 2011

	Due Date		Work to do (in addition to readings and case preparation)
	Thursday	Friday	
L1	Sept 8	Sept 9	Submission of Student Information Questionnaire Submission of Participation and Preparation Form
L2	Sept 15	Sept 16	
L3	Sept 22	Sept 23	Bring your Income Tax Act (ITA) Photo of students (taken by the Professor) Quiz
L4	Sept 29	Sept 30	Submission of Assignment #1
	Oct 6	Oct 7	No class
L5	Oct 13	Oct 14	
L6	Oct 20	Oct 21	Submission of Assignment #2
L7	Oct 27	Oct 28	
L8	Nov 3	Nov 4	Submission of Assignment #3
L9	Nov 10	Nov 11	Quiz
L10	Nov 17	Nov 18	No class
L11	Nov 24	Nov 25	Submission of Assignment #4
L12	Dec 1	Dec 2	
	Dec 6		Submission of Assignment #5
L13	Dec 6 (or 7)		
	December 8-21		Final Exam