



Course Description

TAX2000 | Income Tax | 3.00 credits

Federal income tax fundamentals with emphasis on individual returns. Topics considered include gross income, capital gains and losses, deductions and exemptions, and tax credits.

Course Competencies:

Competency 1: The student will identify the individuals who must file tax returns by:

1. Understanding how filing status, age, and gross income are vital components
2. Understanding other situations when individuals must file
3. Identifying the individual tax returns and supplemental schedules
4. Understanding the tax formula for individuals

Competency 2: The student will determine when an individual can be claimed as a dependent on a taxpayer's tax return by:

1. Defining who can qualify to be a dependent
2. Applying tests to determine if a dependent is a qualifying child
3. Applying tests to determine if a dependent is a qualifying relative
4. Identify where the individual tax return dependent information is reported

Competency 3: The student will apply the requirements for each filing status by:

1. Identifying the five filing statuses
2. Understanding the calculation of tax according to the filing status
3. Using the tax table or tax rate schedule, as applicable, to determine tax liability based on the taxpayer's taxable income

Competency 4: The student will distinguish between taxable and nontaxable income by:

1. Determining the sources of income
2. Identifying the tax treatment of various sources of income
3. Understanding the various tax forms for sources of income, such as the W-2 and 1099s

Competency 5: The student will calculate itemized deductions by:

1. Comparing and contrasting itemized deductions with the standard deduction for the different filing statuses
2. Identifying the categories of itemized deductions and limitations within each category
3. Preparing Schedule A for itemized deductions of the individual tax return

Competency 6: The student will determine eligibility for certain credits by:

1. Understanding the difference between credits and deductions
2. Identifying the requirements for the Earned Income Credit
3. Identifying the requirements for the child tax credit and the child and dependent care credit
4. Applying for the various education credits

Competency 7: The student will calculate and report adjustments to income by:

1. Understanding the difference between a deduction for and a deduction from adjusted gross income (AGI)
2. Explaining the treatment of individual retirement accounts (IRAs)
3. Explaining the student loan interest deduction
4. Calculating the one-half self-employment tax deduction

Competency 8: The student will calculate basic capital gains and losses by:

1. Understanding the difference between ordinary and capital gains and losses
2. Identifying short-term versus long-term capital gains and losses

3. Understanding the adjusted basis of an asset and the amount realized
4. Preparing Schedule D of the individual tax return

Competency 9: The student will use computers to prepare tax returns by:

1. Using the student version of an actual tax software
2. Preparing a tax return from a simple scenario to a more complex scenario
3. Considering participating in the Volunteer Income Tax Assistance (VITA) program
4. Becoming familiar with the IRS website, www.irs.gov
5. Understanding the basics of electronic filing (e-filing)

Learning Outcomes:

- Communicate effectively using listening, speaking, reading, and writing skills
- Solve problems using critical and creative thinking and scientific reasoning
- Use computer and emerging technologies effectively