School of Administrative Studies
Faculty of Liberal Arts and Professional Studies

AN OVERVIEW OF CANADIAN INCOME TAXATION AP/ADMS 3520

Course Outline for all Sections

Fall 2022

Last updated Sept. 7, 2022. Changes are in red.

1 Course Overview

You must attend all classes (for your section) and pay attention all class.

Course coordinator: Jason Fleming

Section B	Wed. 7-10pm	SLH (Stedman Lecture Hall) room E	**Erin Price** erprice@yorku.ca
Section C	Tues. 11:30am - 2:30pm	HNE (Health, Nursing & Environmental Studies) room 031	**Cara Orzech** cara@cotax.ca
Section D	Wed. 2:30 – 5:30 pm	FC (Founders College) room 203	**Cara Orzech** cara@cotax.ca
Section E	Tues. 4-7pm	R (Ross Building) room S203	**Jason Fleming** jfleming@yorku.ca

Make sure you arrive a few minutes before class so you are ready to begin right at the start time above (for your section).

Tax is the price we pay for civilization, Justice Oliver W. Holmes of the U.S. Supreme Court once said.

The course offers an overview of the taxation of personal and corporate income for Canadian taxpayers. This course provides students with the necessary foundation as a prerequisite for more advanced tax courses AP/ADMS 4561 and 4562. To advance to 4561 and/or 4562, honours students and non-degree students are normally required to have passed 3520, while all other students are normally required to have received a 3520 letter course grade of at least C+. Students won't receive any credits for 3520 for the purpose of GPA calculation if they take 3520 after taking 4561 or 4562. This course cannot be taken concurrently with 4561 or 4562. Students are advised to take 3520, 4561 and 4562 sequentially.

Students are expected to be able to answer administration questions on their own using this course outline along with materials on eClass. Please note:

- All students are expected to check the 3520 course eClass site regularly. Additional alerts may be sent to your university email accounts so you also are expected to check your university email accounts regularly. Keeping up with all the information related to the course is your responsibility.
- Before you ask us any question, please note that one of the many joys in getting a university education is that it provides you with ample opportunities to develop your skills in looking for answers. So please look for answers in the course outline, lecture notes, on eClass, course emails, York's website and the textbook first.
- For security purposes, all students should use the York University email accounts for the course. Please note that students can download and install MS Outlook for free from the university.

The course coordinator wishes to thank Professors Joanne Magee and Thaddeus Hwong who created and developed this course.

2 Learning Outcomes

The course focuses on personal income tax topics including the purposes of the income tax system; the structure of the Income Tax Act; employment income and fringe benefits; business income, capital cost allowance; property income; capital gains; other incomes; deductions and tax credits; non-arm's length transactions and attribution rules. The course also provides an introduction to the taxation of corporations, partnerships and trusts.

A basic introduction to Canadian income tax law, the course provides students an overview of the technical rules in the Income Tax Act that defines the tax system – the tax base, the accounting period, the rate structure, the tax filing unit and the administrative apparatus – and tax expenditures, essentially indirect spending programs. Whenever it's appropriate the course also highlights the importance of examining the determinants of policy making and different perspectives on tax law and policy.

Moreover, students learn basic tax law and policy research so they can keep pace with changes in the law.

This course is designed to enable and empower students to achieve the following learning outcomes independently:

- To learn how to learn tax (i.e., keep pace with the evolving body of tax law) independently without supervision
- To understand the policy objectives and legislative intent of the technical rules in the Income Tax Act as they apply to individuals and corporations
- To apply Canadian income tax laws and related concepts

In pursuing the above learning outcomes, the course requires students to make good use of technology. The requirements offer students plenty of opportunities to get ready for the labour market.

3 Course Materials

The required textbook is Byrd & Chen's Canadian Tax Principles (CTP), by Gary Donell, 2022-2023.

As the book is updated every year, using a prior edition of the book is not recommended. The textbook is available in the Bronfman Business Library (in the Schulich Building) for short term viewing. All references to the textbook are made in regard to the hard copy of the textbook. For the access to MyLab please see the document provided by the publisher on the course eClass site.

All sections use the same common 3520 eClass site for lecture notes and other course information. The 4561 and 4562 instructors recommend that you keep your 3520 textbook, notes and problem materials for review purposes when you advance to the upper-level courses.

4 Teaching Approach

The course is taught in a problem-solving approach with references to the underlying ideas of tax law and policy. Lecture notes listing "designated problems" on their front page are available on the course eClass site. The purpose of working through the designated problems is to familiarize yourself with important concepts and to offer you problem-solving practice. It is critical that you work through all designated problems on your own. Challenging yourself by asking yourself why a rule is what it is and making extensive use of all the course materials to look for answers can dramatically enhance your learning experience.

The lectures and the lecture notes only provide highlights of the course content. The lectures do not cover everything you need to know for the course. Please use CTP (i.e., the textbook) wisely according to the lectures and lecture notes as there are some topics in CTP that are not covered in lectures or lecture notes that you need to know.

Please focus on the ideas behind the law. If you understand the ideas, you will know how to do the arithmetic. Focusing solely on the mechanics of the arithmetic will NOT help you achieve the learning outcomes.

How to Do Well in 3520

The only way to do well in this course is to put significant time and effort into the course. You should spend at least six hours a week on the course (in addition to time spent in class). Each week, starting in week 1, you should:

1) Carefully read the lecture notes and do the recommended textbook problems. Always attempt all problems yourself before you look at the solution. Doing practice problems is the best way to learn.

2) Attend all lectures and pay attention all class. Turn off and put away any electronic devices that are not needed for class and focus.

3) Do the assignment and study for the exams by re-reading the lecture notes and re-doing all practice problems. Redoing practice problems will help you remember the complex tax rules that we cover.

5 Evaluation

Category	**% of grade**	**Due Date**
Participation [lectures 1 - 10]	10%	
Assignment 1 [lectures 1 - 3]	10%	Monday, October 3 by 5pm
Midterm exam [lectures 1 - 5]	30%	10 am - 12 pm Friday, October 21, 2022
Assignment 2 [lectures 6 - 8]	10%	Monday, November 14 by 5pm
Final exam [lectures 1 - 10]	40%	Two-hour regular final exam to be held in the final exam period to be determined by the university
Total	100%	

<u>Participation (10%) and Professional Behaviour</u>

There are participation marks available for lectures 1 to 10. We may randomly call on you to participate in class. Don’t worry, you do not need to get the correct answer to get the participation mark. You only need to make a good attempt to answer the question to get the mark.

This is a professional course and many of you plan to be future professionals. Accordingly, <u>you are expected to act like professionals</u>. In terms of expected behaviour in class you should:

- Prepare in advance for class. Even a small amount of preparation is better than nothing. The more prepared you are the more you will get out of class.
- Go to class a few minutes early so you are ready to start on time for class (and for exams).
- Actively listen, participate, and pay attention all class.
- Avoid disruptive behavior. Avoid talking during class. Also avoid: checking emails, sending texts, talking on the phone, et cetera, since this disturbs your fellow classmates and your course director. If you need to have a conversation, send an email, text or make a phone call (and if you cannot wait until break or after class), then quietly leave the classroom to do what you need to, and return to class when finished (since this is less disruptive). (With Zoom keep your microphone on mute if you are not speaking).
- Turn your cell phone/electronic device off (except any device needed for class) and turn off notifications since these are disruptive.
- Do not record, or take pictures or video of, any of the lecture(s), without advance written permission from the course director.
- For all assignments and exams, read and follow the directions and fully comply with York’s Academic Honesty Policy.
- Do not ask for an arbitrary increase in your grade. Your grade will be whatever grade you earned in the course and it will not be arbitrarily increased.

Assignments

The assignments will be posted on the course website. The instructions, which must be followed, are provided on the assignment. Use the cover sheet provided with the assignment question when you submit your answer to eClass.

The assignments can be prepared individually or jointly by groups of up to five students. Your group can consist of students from any section of 3520. You identify group members and sections on the cover sheet. Each group must work independently from other groups. Late assignments will not be accepted and will receive a 0. The solution to the assignments will be posted on the course website.

Exams

The exams require you to integrate everything you have learned in the entire course up to the point of the exam. They can include short questions, multiple choice, and long questions that require calculations like those in the textbook.

Students must show all details and calculations of their work (except for multiple choice). All answers must be your own work. For example, copying from any source including the lecture notes and/or the textbook will be a serious offence, and exchanging answers with anyone will also be a serious offence. All allegations or reports of violations will be investigated. Academic dishonesty will be prosecuted. More information may be posted on eClass.

Missing exams is not a way to gain an advantage of any sort. Please note that traveling, attending someone's wedding, needing to drive someone somewhere or working are not reasons for accommodation. As you have the exam dates now you are expected to make the appropriate arrangement to write the exams. It's your responsibility as a student to take the course only when you can write the exams on preset dates with your classmates. In the past, students who claimed to be ill to buy time not only failed the course but also delayed their graduation.

IMPORTANT: students who cannot write an exam due to a valid conflict MUST email your course director at least 2 weeks prior to the exam date.

If the midterm is missed due to illness: Medical Documentation:
See York's website for up-to-date info. As of now you do not need an Attending Physician's Statement. If this changes over the term, then:
If a midterm examination is missed due to illness, appropriate documentation must be provided to the course director within two weeks of the missed work.
The only acceptable documentation that can be used to support an absence due to illness is an Attending Physician's Statement dated within two days of the missed examination. A soft copy of this form is available from the Registrar's website at:
http://www.registrar.yorku.ca/pdf/attending-physicians-statement.pdf

Please note that a "doctor's note", typically written on a prescription pad, is not acceptable.

With appropriate medical documentation the marks will be allocated to the final exam.

Deferred Standing – Missed Final Exams

Students who are unable to write their final examination at the scheduled time may be granted Deferred Standing in the course. If granted, these students will write the next term's final exam. For deferred standing requests follow the instructions under "Deferred Final Exams" on our school of administrative studies (SAS) website.

Students who have missed the Midterm and the Final should petition to drop the course late.

5.1 What Your Course Grade Means

At university you learn to become not only a productive employee but also an informed and responsible lifelong learner. If you learn to think about taxation in a way to appreciate its important role in society, you will have achieved something.

Your course grade is a reflection of your performance in the course compared to your peers, but you are the only one who really knows whether you are making any progress in developing your sense of critical thinking, information literacy and effective communication.

A grade is just a grade. In a few years no one will care what grade you got as a student in 3520. But people do care what kind of character you have as a human being – whether you care not only about your own self-interests but also about others' well-being. As a professional you must act professionally and follow all academic honesty requirements.

If you do the work required for the course, you will likely earn the grade you want. You are expected to take full responsibility for studying and keeping up with the fast pace of the course.

6 Class Schedule

Lecture	Section/Date	Topic
1	B and D: Wed. Sept. 7 C and E: Tues. Sept. 13	Course overview; introduction to taxation including sources of tax law and policy especially the structure of the Income Tax Act, characteristics of our income tax system, types of taxes and taxable entities (individuals, corporations, trusts); tax expenditures; procedures and compliance including dispute resolution mechanism
2	B and D: Wed. Sept. 14 C and E: Tues. Sept.	Residency; income from employment including loans to employees, employee stock options and commission income
3	B and D: Wed. Sept. 21 C and E: Tues. Sept.	Depreciable capital property
Assignment 1 due: Monday, October 3 by 5pm		
4	B and D: Wed. Sept. 28 C and E: Tues. Oct.	Income from property and capital gains and losses; integration and eligible as well as non-eligible dividends
5	B and D: Wed. Oct. 5 C and E: Tues. Oct.	Other income and deductions; income splitting; tax-preferred savings accounts including a comparison of RRSPs and TFSAs
Reading week (No class) during the week of Monday, Oct. 10. [Also, no class on Wed. Oct. 19]		
Midterm at 10 am - 12 pm Friday, October 21		
6	C and E: Tues. Oct. 25 B and D: Wed. Oct. 26	Non-arm's length transactions including transfers of property to spouse and children and income attribution rules as well as kiddie tax; departures from Canada and death of a taxpayer
7	C and E: Tues. Nov. 1 B and D: Wed. Nov.	Taxable income and tax payable for individuals
8	C and E: Tues. Nov. 8 B and D: Wed. Nov.	Income or loss from a business; introduction to GST
Assignment 2 due: Monday, November 14 by 5pm		
9	C and E: Tues. Nov. 15 B and D: Wed. Nov.	Basic rules for computing taxable income and tax for corporations; incorporation of a small business
10	C and E: Tues. Nov. 22 B and D: Wed. Nov.	Investment income and private corporations; personal services business; basic rules for partners and partnerships

	Two-hour regular Final in the final exam period of the term scheduled by the university	

7 Important York Policies

For University, Faculty and School regulations please check:

Common Course Policies | School of Administrative Studies (yorku.ca)