

CPA PREPARATORY COURSES
SYLLABUS

Taxation

Purpose

The purpose of this syllabus is to provide information about the Taxation CPA preparatory course. This document has been produced for education administrators, course authors, course examiners, committee members, and resource people in the CPA education system; current and potential students and those who advise them; and others in the professional, academic, and general community.

Course Overview

Course description

This six-week core course covers fundamental principles and concepts of Canadian federal income tax legislation. Students will build a foundation of knowledge around compliance and tax issues for both individuals and corporate entities.

Course prerequisites

The prerequisites for this course are the following courses or equivalent post-secondary courses:



Resources

See the Student Guide for a comprehensive list of course resources.

Grading

See the Student Guide for the course grading structure.

Course Outline

The following topics are covered in Taxation:

Unit 1

- Review the Canadian tax system, including the federal Canadian tax system, and an overview of liability for tax and residency.
- Review the procedures for filing tax returns, paying taxes, and appealing assessments, and discuss the Canada Revenue Agency's enforcement of the *Income Tax Act*, including interest and penalties.
- Describe the types of income that may be included in net income for tax for individuals.
- Discuss the calculation of income from an office or employment (employment income for tax purposes).

Unit 2

- Review the general rules related to the capital cost allowance (CCA) system, including the determination of CCA, undepreciated capital cost (UCC) for common CCA classes, terminal losses, and recapture, as well as CCA, UCC, and capital cost for depreciable properties in specific situations.
- Review the calculation of business income.
- Review the calculation of property income.

Unit 3

- Review the determination of capital gains and losses, including rules under specific circumstances
- Review other sources of income included in the determination of net income of an individual and discuss other deductions in determining net income for tax purposes for an individual.

Unit 4

- Review the Division C deductions available to individuals to determine taxable income and the lifetime capital gains exemption available to Canadian taxpayers.
- Review the calculation of income taxes payable for an individual.
- Review deferred income plans, including Registered Retirement Savings Plans (RRSPs), Tax-Free Savings Accounts (TFSA), and Registered Education Savings Plans (RESPs).

Unit 5

- Review transactions resulting in income attribution.
- Review the common amounts that are deducted from net income for tax purposes to calculate taxable income for corporations, such as charitable donations, loss carryovers, and dividends received from taxable Canadian corporations (Division C deductions).
- Review the calculation of Part I tax payable for a corporation.

Unit 6

- Review the calculation of taxes payable on investment income for a Canadian-controlled private corporation (CCPC).
- Discusses the goods and services tax.

Reading List

The following chapters from the Taxation volume of the eBook are the required readings for the course:

Unit 1

- Chapter 1 — Canadian Tax System — Overview
- Chapter 4 — Tax Administration
- Chapter 5 — Personal Sources of Income
- Chapter 7 — Employment Income

Unit 2

- Chapter 8 — Capital Cost Allowance
- Chapter 9 — Business Income or Loss
- Chapter 10 — Property Income

Unit 3

- Chapter 11 — Capital Gains and Losses
- Chapter 13 — Other Personal Income and Other Deductions

Unit 4

- Chapter 14 — Taxable Income for an Individual
- Chapter 15 — Taxes Payable for an Individual
- Chapter 21 — Deferred Income Plans
- Chapter 22 — Personal Tax Checkpoint

Unit 5

- Chapter 19 — Income Attribution
- Chapter 24 — Taxable Income for a Corporation
- Chapter 25 — Taxes Payable for a Corporation

Unit 6

- Chapter 27 — Taxes Payable on Investment Income for a CCPC
- Chapter 28 — Corporate Tax Checkpoint
- Chapter 34 — Goods and Services Tax — Overview and Compliance