

# ACCT 112: COMPUTERIZED INCOME TAX PREPARATION

## Citrus College Course Outline of Record

Heading	Value
Effective Term:	Fall 2021
Credits:	2
Total Contact Hours:	36
Lecture Hours :	36
Lab Hours:	0
Hours Arranged:	0
Outside of Class Hours:	72
Strongly Recommended:	ACCT 110.
Transferable to CSU:	No
Transferable to UC:	No
Grading Method:	Standard Letter, Pass/No Pass

## Catalog Course Description

This course introduces the students to the newest version of commercial tax preparation software for use to prepare individual federal Income tax returns. 36 lecture hours.

## Course Objectives

- Navigate the tax preparation platform and locate common features and functions to prepare and files a tax return.
- Create a new client account and record the taxpayer's background information.
- Create a new tax return file for a specified tax year.
- Use the tax preparation platform to report estimated tax payments and to prepare estimated tax payment vouchers and extensions.
- Use the tax preparation platform to report income items such as wages and salaries, interest, dividends, pensions, retirement plan distributions, and social security benefits.
- Use the tax preparation platform to compute and report gains and losses from property dispositions.
- Use the tax preparation platform to report income and deductions from business activities and rental activities.
- Use the tax preparation platform to record property acquisitions in order to compute and report a deduction for depreciation.
- Use the tax preparation platform to record and report adjustments to income such as retirement plan contributions, health insurance premiums for self-employed taxpayers, certain education related expenses, and qualified alimony payments.
- Use the tax preparation platform to report itemized deductions such as medical expenses, certain types of interest expenses, charitable contributions and taxes.
- Use the tax preparation platform to compute deductions related to the business use of a home and business use vehicle expenses.
- Use the tax preparation platform to compute tax credits such as education credits and credits for child and dependent care.
- Navigate the tax preparation platform and locate special tax forms for installment agreements and amended returns.

- Use the tax preparation platform to prepare a simple individual tax return given relevant tax information.
- Use the tax preparation platform to prepare a complex individual tax return which includes the reporting of a business and/or rental activity.
- Identify and correct diagnostic warnings and errors.
- Navigate the tax preparation platform and locate the function to e-file tax returns.
- Review a tax return against client provided data.
- Download a completed tax return as a PDF file and locate the function to print a client copy of a tax return.

## Major Course Content

1. The income tax formula
2. Overview of the components of the income tax preparation platform
3. Overview of settings and tools
4. Create a new client account
5. Creating a new tax return file
6. Transferring prior year's client data
7. Collecting, reviewing and organizing client data
8. Creating a client profile
9. General client information
10. Recording tax payments, penalties and extensions
11. Recording income items
12. Recording deductions
13. Recording tax credit data
14. Recording taxes
15. Other and miscellaneous forms
16. State and local tax forms
17. Checking the return: Diagnostics warnings, recommendations and errors
18. Filing the tax return: Printing and e-filing
19. Amending tax returns
20. Other features

## Suggested Reading Other Than Required Textbook

IRS Publication 17 IRS Circular 230

## Examples of Required Writing Assignments

Jerry, age 23, a full-time student and not disabled, lives with William and Sheila Carson. Jerry is William's older brother. Jerry is single, a U.S. citizen, and does not provide more than one-half of his own support. William and Sheila are both 21 and file a joint return. Can William and Sheila claim Jerry as a qualifying child? Required: Go to the IRS website ([www.irs.gov](http://www.irs.gov)) and review Publication 501. Write a letter to William and Sheila stating if they can claim Jerry as a qualifying child.

## Examples of Outside Assignments

Go to IRS.gov and search for the following page entitled "Summary of Preparer Penalties under Title 26". Prepare a one page paper summarize the following preparer penalties:

IRC § 6694 – Understatement of taxpayer's liability by tax return preparer.  
IRC § 6695(b) – Failure to sign return IRC § 6695(f) – Negotiation of  
check IRC § 6701 – Penalties for aiding and abetting understatement  
of tax liability. IRC § 7207 – Fraudulent returns, statements, or other  
documents.

## **Instruction Type(s)**

Lecture, Online Education Lecture