

**UNIVERSITY OF PUERTO RICO
RIO PIEDRAS CAMPUS
BUSINESS SCHOOL
ACCOUNTING DEPARTMENT**

TAXATION OF INDIVIDUALS

**SYLLABUS
First Semester 2019-20**

TITLE

Taxation of Individuals

COURSE CODE

CONT 4076

HOURS/ CREDITS

45 hours / 3 Credits

PREREQUISITE

CONT 3105

DESCRIPTION

Analysis of the basic concepts of taxation with particular emphasis of federal and state (Puerto Rico) income tax of individuals. Calculation of income tax obligation, gross income, exclusions, exemptions, deductions, tax credits and transactions with properties. Study of taxation rules for sole-proprietorship and passive activity loss rules. This course will be offered in face-to-face, hybrid or distance mode.

OBJETIVES

At the end of the course the student will:

1. Distinguish the concept of gross income, adjusted gross income and taxable income of an individual.
2. Identify deductions applicable to individuals and the requirements to properly claim the deduction.
3. Identify the taxation rules for sole-proprietorship, including the requirements to claim ordinary and necessary expenses.
4. Distinguish the passive activity loss rules.
5. Identify other taxes applicable to trade or business.
6. Evaluate the importance of tax planning and its impact on the decision making of individuals.
7. Develop teamwork strategies and cooperative learning.
8. Research using electronic database tools.

OUTLINE OF CONTENT AND DISTRIBUTION OF TIME

<u>TOPICS</u>	<u>Hours</u>
<u>INTRODUCTION, INCOME AND DEDUCTIONS</u>	
1. Introduction of Tax Law	3.00
2. Individual Income Tax Overview	4.50
3. Gross Income and Exclusions	3.00
4. Individual Deductions	3.00
5. State Individual Income Tax Overview (Puerto Rico)	4.50
<u>TAX, CREDITS AND TRANSACTIONS WITH PROPERTIES</u>	
6. Individual Income Tax Computation	3.00
7. Individual Income Tax Credits	3.00
8. Property Transactions	6.00
9. State Individual Income Tax Overview (Puerto Rico)	4.50
<u>TRADE OR BUSINESS</u>	
10. Passive Activity Loss Rules	3.00
11. Business Income and Deductions	3.00
12. Other Taxes Applicable to a Sole-Proprietorship	3.00
13. State Individual Income Tax Overview (Puerto Rico)	<u>1.50</u>
Total Hours	<u>45.00</u>

INSTRUCTIONAL TECHNIQUES

A combination of the following techniques will be used to achieve the objectives:

1. Conferences
2. Reading of text, law, regulations, jurisprudence and other sources, prior to attending the classroom.
3. Discussion of comprehensive exercises.
4. Cooperative learning.
5. Research and homework that will require the access of information through electronic means.

LEARNING RESOURCES

Various learning resources will be used, such as:

Resources	Provider
1. Account in the learning management institutional platform	Institution
2. Institutional email account	Institution
3. Access to Connect and course text in electronic format (ebook)	Student
4. Access to computerized programs for preparing tax returns	Institution
5. Computer with high-speed internet access or mobile device with data services	Student
6. Applications: word processor, spreadsheets, presentation editor	Student

EVALUATION TECHNIQUES

The final grade of the course will be evaluated as follows:

Description	Percentage
<u>Exams</u>	
Exam 1	25.00%
Exam 2	25.00%
Exam 3	25.00%
<u>Comprehensive Exercises</u>	
Exercise 1	2.50%
Exercise 2	2.50%
Exercise 3	2.50%
Exercise 4	2.50%
Exercise 5	2.50%
Exercise 6	2.50%
<u>Connect Exercises</u>	
• 11 exercises	5.00%
<u>Participation</u>	5.00%
TOTAL	100%

GRADE SYSTEM

A, B, C, D, F

Subject to professor discretion, a differentiated evaluation will be made to students with special needs.

REASONABLE ACCOMODATION

Students who require a reasonable accommodation or receive Vocational Rehabilitation services should contact the professor at the beginning of the semester to plan the reasonable accommodation and necessary assistance according to the recommendations of the Office of Affairs for Persons with Disabilities (OAPI) of the Dean's Office. Students.

In addition, those students with special needs of some kind of assistance or accommodation should contact the teacher well in advance, at the beginning of the semester. If a student has a documented disability (physical, psychological, learning or other, which affects their academic performance) and would like to request special academic accommodation or modification, he / she should contact the “Oficina de Asuntos para las Personas con Impedimentos (OAPI)” of the Student Affair Office, in order to set an appointment to coordinate the appropriate accommodation.

SEX AND GENDER DISCRIMINATION IN MODALITY OF SEXUAL VIOLENCE

The Academic Senate through Certification No. 39, 2018-19 approved the following regulations: "The University of Puerto Rico prohibits discrimination on grounds of sex and gender in all its forms, including sexual harassment. According to the Institutional Policy against Sexual Harassment at the University of Puerto Rico, Certification No. 130, 2014-2015 of the Governing Board, if a student is being or was affected by conduct related to sexual harassment, you may go to the “Oficina de la Procuraduría Estudiantil”, the Student Affair Office or the office of the “Coordinadora de Cumplimiento con Título IX” for guidance and/or filing a complaint. "

ACADEMIC HONESTY

The University of Puerto Rico promotes the highest standards of academic and scientific integrity. Article 6.2 of the General Regulations for Students of the UPR (Certification No. 13, 2009-2010, of the Board of Trustees) states that "academic dishonesty includes, but is not limited to: fraudulent actions, obtaining grades or grades academics using false or fraudulent simulations, copying totally or partially the academic work of another person, plagiarizing totally or partially the work of another person, copying totally or partially the answers of another person to the questions of an examination, doing or obtaining that another take on your behalf any test or oral or written exam, as well as to assist another person incurs in said behavior ". Any of these actions will be subject to disciplinary sanctions in accordance with the disciplinary procedure established in the General Student Regulations of the UPR in force.

To ensure the honesty and security of user data, all hybrid and distance courses should be offered through the learning management institutional platform, which uses secure connection and authentication protocols. The system authenticates the identity of the user using the username and password assigned in their institutional account. The user is responsible for keeping secure, protecting, and not sharing his password with other people.

BIBLIOGRAPHY

Textbook

1. Aspectos Contributivos de Individuos, 2019 Edition, McGraw-Hill's. (Spilker) (*ebook from the textbook: Taxation of Individuals and Business Entities.*)

Books of Reference

- Smith, Harmelink, Hasselback, (2019), Federal Taxation, 35th edition, CCH.
- Spilker, Ayers, Robinson (2019), Taxation of Individuals and Business Entities, 2019 Edition, McGraw-Hill's

Laws and Regulations

1. Puerto Rico Internal Revenue Code (2011), 13 L.P.R.A. secs. 8401, et seq.
2. Internal Revenue Code, 26 U.S.C.A

Websites

1. **CONNECT:** <http://connect.mheducation.com/>
2. **Departamento de Hacienda:** www.hacienda.gobierno.pr (Código de Rentas Internas y Reglamentos).
3. **Internal Revenue Service:** www.irs.gov
4. **Lexjuris:** www.lexjuris.com (Leyes y Jurisprudencia).
5. **Checkpoint:** www.checkpoint.riag.com
6. **AICPA:** www.aicpa.org/

Academic Articles

1. Carlos Díaz Olivo, Creación y Destrucción de un Paraíso Fiscal: La Legislación Contributiva Federal, Su Reforma y su Efectos sobre Puerto Rico, Vol. 87, UPR Business Law Review (2018).
2. Hayes Holderness, Taking Tax Due Process Seriously: The Give and Take of State Taxation, 20 Fla. Tax Rev. 371 (2017).
3. Juan Carlos Méndez, Derecho Tributario, 82 Rev. Jur. UPR 557 (2013).