DEPARTMENT OF MANAGEMENT UNIVERSITY OF TORONTO MISSISSAUGA

MGT429H5S LEC0101 Canadian Income Taxation II Course Outline - Winter 2022

Class Location & Time Wed, 09:00 AM - 11:00 AM IB 385

InstructorAbraham IqbalOffice LocationKN 208Office HoursTBD

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Course Web Site https://q.utoronto.ca

Course Description

This is the second of two courses in federal income tax law. It is designed to give the student an understanding of more complex issues of Canadian Income Tax law and tax planning. This is achieved through a combination of lectures and the application of the law to practical problems and case settings. Topics include computation of corporate taxes, integration, corporate reorganizations, surplus distributions, partnerships and trusts. [24L, 12T]

Prerequisite: MGT423H5

Exclusion: MGAC60H3 or RSM424H1 (SSc)

Distribution Requirement: SSc

Course Objective

After taking this course students are expected to be able to

- identify tax issues,
- calculate income taxes payable for a corporation,
- analyse the alternatives and advise on specific tax-planning opportunities,
- communicate the issues, tax implications, alternatives and make recommendations.

The two course sequence (MGT423 & MGT429) has been designed to provide participants with coverage of all the tax topics listed in the *Chartered Professional Accountant Competency Map*.

Textbooks and Other Materials

Required:

- 1. *Canadian Income Taxation Planning and Decision Making with* CONNECT PrePak by Buckwold/Kitunen/Roman/Iqbal, published by McGraw-Hill Ryerson, **2021-2022** edition.
- 2. The Income Tax Act (Canada) (electronic version accessed through KNOTIA see below).
- 3. *Current Readings in Taxation*. Readings will be assigned during the term with the objective of highlighting current discussions on topics covered in this course.

Supplemental Materials:

KNOTIA Tax Suite Premium. This online tax research infobase includes income tax (*FITAC-Platinum*), GST/HST (*EARL*), and provincial tax databases (*PERL*), as well as daily news updates (*Knotia News*). This package enables students to access the most up-to-date tax law, court cases, and administrative practices. These databases are accessed using your UTOR ID and password via the following URL:

http://edu.knotia.ca.myaccess.library.utoronto.ca/Home.aspx

Tax Related Web Sites:

- Canada Revenue Agency (CRA) www.cra.gc.ca
- Canadian Tax Foundation www.ctf.ca
- Chartered Professional Accountants Canada (CPAC): http://cpacanada.ca/

• Department of Finance Canada www.fin.gc.ca

Assessment and Grading Policies

Type	Description	Due Date	Weight
Class Participation	Participation	On-going	5%
Quiz	Connect Quizzes	On-going	10%
Term Test	March 4 - 7PM to 9PM (Note - outside of normal class time - date & time is tentative and is subject to classroom availability)	2022-03-04	30%
Assignment	Connect Homework	On-going	10%
Final Exam	Date TBA	TBA	45%
		Tota	l 100%

Please be advised that requests to round grades up will not be accommodated and can be considered an academic offense. The grade earned by a student is the mark that will be entered into ACORN without exception. Note that the Course Schedule, Assessment and Grading Policies detailed in this course outline are contingent on class delivery staying unchanged. The course outline may change at the instructors' discretion under unforeseeable circumstances, e.g. lockdown due to COVID. For example, if we are required to offer courses via remote delivery during the semester, the instructor will make the necessary adjustments, including, but not limited to, the nature and timing of assignments and tests, reweighting of course assessments, and other course content. These changes will be communicated via Quercus. As per the Provost's announcement on Wednesday, December 15, 2021, the Winter 2022 semester will commence with course delivery online at least until January 31st, 2022. Please check Quercus and your emails regularly for updates, e.g., mode of delivery and timing of lectures, tutorials, labs and assessments.

Requirements and Criteria

Participation: The 5% grade component for participation is being awarded as an additional incentive for students to do the readings and problems assigned and to keep up-to-date with the course work. Participation marks will be awarded based on the student's contribution to the take up of assigned problems during class.

Some of the behaviors that contribute to effective participation are captured in the questions that follow:

- 1. Is the participant a good listener?
- 2. Are the points that are made relevant to the discussion? Are they linked to the comments of others?
- 3. Do the comments show evidence of preparation for the class?
- 4. Is there a willingness to share knowledge and ideas with other class members?
- 5. Do comments clarify important aspects of earlier comments and lead to a clearer statement of the concepts being covered?

Connect Quizzes: These are online quizzes that are to be completed on Connect (as purchased with the textbook) by the scheduled due date. Student are allowed one attempt for the Connect Quizzes. The submissions are graded within Connect and students will have access, through Connect, to their grades one hour after the deadline for each quiz. Please ensure that you have access to Connect. There are a total of four (4) Connect quizzes for a total of ten (10) marks toward the final course grade. Details regarding the Quiz dates will be available through Connect.

Connect Homework: There are 5 homework assignments in total for 10% of the final grade. These questions are similar to the end of textbook materials. **You are allowed a maximum of three attempts and only the highest attempt will count** Your score will be shown after each attempt, and you can use your previous attempt as a starting point for your next attempt (as opposed to starting over). The full solution is available after your final attempt. Details regarding assignment due dates will be available through Connect.

Term Test and **Final Exam**: Students are allowed to use a non-programmable calculator as an aid during the Term Test and Final Exam. It is the responsibility of each student to bring to the Term Test/Final Exam his/her personal calculator. The term test will examine material covered prior to the term test. Material covered during the entire term is examinable on the final exam.

All suspected cases of academic dishonesty will be investigated by following the procedures outlined in the *Code of Behaviour on Academic Matters*.

Conduct of Class

We expect our students to be highly motivated in learning the subject matter and to dedicate adequate time to the course each week.

Students are expected to be prepared for classes and to contribute to discussions, both in class and online. New topics will be discussed in each class using Key Concept Questions from the text. Problems and cases from the text will be assigned for discussion during the following class.

Students are to bring the text to all classes. It is recommended that students form study groups and work together to prepare for class. To prepare for each class, students should:

- review and/or attempt the Key Concept Questions done in the previous class and review the solutions as available for download through Connect.
- prepare and bring solutions to the homework problems assigned in the previous class and be ready to discuss the solutions during the class.
- do the assigned readings, answer the Review Questions assigned and check the solutions as available for download through Connect

Procedures and Rules

Missed Test(s) (including Quizzes and Term Tests, Exams):

Absences are submitted to the department for consideration by the petitions committee. The following steps must be completed for any missed test.

In the case of illness:

- 1. Within 24 hours of the test date, you must inform your professor via e-mail of any circumstances that prevent you from writing a test on time
- 2. Within 24 hours of the test date, you must submit an online Petition for Academic Accommodation under: https://app.utm.utoronto.ca/SpecialRequest/
- 3. Within 24 hours of your first day of absence, you must use the Absence Declaration tool on ACORN found in the Profile and Settings menu to formally declare your absence from academic participation

At this time, we are NOT requesting medical documentation for sickness related absences.

<u>In the case of a non-illness-related absence:</u>

- 1. Within 24 hours of the test date, you must inform your professor via e-mail of any circumstances that prevent you from writing a test on time
- 2. Within 24 hours of the test date, you must submit an online Petition for Academic Accommodation under: https://app.utm.utoronto.ca/SpecialRequest/
- 3. Within 7 days from the date of the missed test the original supporting documentation (e.g. accident reports) must be submitted to the Department of Management at mgtpetitions.utm@utoronto.ca

Failure to submit appropriate documentation by the deadline will result in a grade of zero on the test. False statements and/or documentation will be treated as academic offences and handled accordingly.

Holidays and pre-purchased plane tickets, family plans (unless critical, such as death of an immediate family member), your friend's wedding, lack of preparation, or too many other tests are not acceptable excuses for missing a test, quiz, or exam.

The written explanation and documentation that you submit represents an appeal from you, which requests the opportunity to account for that portion of your grade in an alternate manner than the normal one that is described in this course outline. If an appeal is not received by the deadlines specified above, or if the appeal is deemed unacceptable, you will receive a grade of zero for the item you missed.

Once all documentation has been received, the Petition for Academic Accommodation will be reviewed by the Departmental Petition Review Committee. Students will be informed of the Committee's decision **via email** within two (2) weeks.

Note: Students MAY NOT petition to re-write a test once the test has begun. If you are feeling ill, you must leave the room before starting your test and seek medical attention immediately.

If the student's Petition for Academic Accommodation for missing a test is approved, the instructor will determine the remediation, which could include the following: (a) A requirement for the student to do remedial work in its place (such as an oral exam, and extended assignment, or a make-up exam) and/or (b) The weighting of the final exam being increased by value of the missed test. The remedy is at the instructor's discretion, and their determination is final and not negotiable.

If missed tests ARE reweighted to the final exam, the maximum weight of the final cannot exceed the limit outlined in the University of Toronto Mississauga Academic Handbook (two-thirds of the total course mark for first year courses and 80% for second, third, and fourth year courses). If the exam will be greater than the allowable weight, a make-up assignment or test will be assigned by the instructor. If a make-up is necessary, instructors will inform the student in writing to their utoronto email account. If no response is received within 3 business days, the make-up portion will receive a grade of zero.

Missed Test(s):

For this course, specifically, if the term test is missed with acceptable documentation, the weighting of the final exam will be increased to 75%.

Late Assignment(s):

If a Connect assignment or quiz is missed with acceptable documentation, the weighting of the remaining assignments/quizzes may be increased, at the discretion of the instructor.

Final Exams:

Students who cannot complete their final examination due to illness or other serious causes must file an <u>online petition</u> within 72 hours of the missed examination. Late petitions will **NOT** be considered. Students must also record their absence on ACORN on the day of the missed exam or by the day after at the latest. Upon approval of a deferred exam request, a non-refundable fee of \$70 is required for each examination approved.

Academic Misconduct:

Academic integrity is essential to the pursuit of learning and scholarship in a university, and to ensuring that a degree from the University of Toronto Mississauga is a strong signal of each student's individual academic achievement. As a result, UTM treats cases of cheating and plagiarism very seriously.

The University of Toronto's Code of Behaviour on Academic Matters outlines behaviours that constitute academic dishonesty and the process for addressing academic offences. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment.

On tests and exams:

- 1. Using or possessing unauthorized aids.
- 2. Looking at someone else's answers during an exam or test.
- 3. Misrepresenting your identity.

In academic work:

- 1. Falsifying institutional documents or grades.
- 2. Falsifying or altering any documentation required, including (but not limited to) doctor's notes.

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Normally, students will be required to submit their course essays to the University's plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the Centre for Teaching Support & Innovation web site (https://uoft.me/pdt-faq).

Standard of Conduct in this Course:

Since this course is part of a degree designed to give you a broad understanding of the world of business, we aim to run the course in a way which will be consistent with the world of business - where many of you will spend your working lives. We strive to provide accurate information, quality materials and good service, consistent with our obligations to maintain the high academic standards of the Department of Management at the University of Toronto Mississauga.

In return we expect that you will conduct yourself in a way that prepares you for the world of work.

- We start on time, so please do not arrive late and disrupt others.
- Leaving class early is also disruptive to your colleagues and will not be permitted unless you have made prior arrangements with the instructor.
- Turn off your cell phone.
- Keep up to date. Make sure that you know the class schedule. Check on the course web page for updates and posted materials.
- During the class, respect the learning opportunities of others. Don't distract others by chatting to your neighbour. Our expectation is that you will not only contribute in class to your own learning, but also that of others.

On-Line Course Expectations

With regard to remote learning and online courses, UTM wishes to remind students that they are expected to adhere to the Code of Behaviour on Academic Matters regardless of the course delivery method. By offering students the opportunity to learn remotely, UTM expects that students will maintain the same academic honesty and integrity that they would in a classroom setting. Potential academic offences in a digital context include, but are not limited to:

Remote assessments:

- 1. Accessing unauthorized resources (search engines, chat rooms, Reddit, etc.) for assessments.
- 2. Using technological aids (e.g. software) beyond what is listed as permitted in an assessment.
- 3. Posting test, essay, or exam questions to message boards or social media.
- 4. Creating, accessing, and sharing assessment questions and answers in virtual "course groups."
- 5. Working collaboratively, in-person or online, with others on assessments that are expected to be completed individually.

All suspected cases of academic dishonesty will be investigated following procedures outlined in the Code of Behaviour on Academic Matters. If you have questions or concerns about what constitutes appropriate academic behaviour or appropriate research and citation methods, you are expected to seek out additional information on academic integrity from your instructor or from other institutional resources.

Copyright Notice:

Please be advised that the intellectual property rights in the material referred to on this syllabus and posted on the course site may belong to the course instructor or other persons. You are not authorized to reproduce or distribute such material, in any form or medium, without the prior consent of the intellectual property owner. For example, uploading course assignments or solutions to Coursehero, Easy Edu, and other tutoring sites and services is strictly prohibited. Violation of intellectual property rights may be a violation of the law and University of Toronto policies and may entail significant repercussions for the person found to have engaged in such act. If you have any questions regarding your right to use the material in a manner other than as set forth in the syllabus, please speak to your instructor.

Additional Information:

U of T statement on commitment to equity, human rights, and respect for diversity

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

UTM statement on academic integrity

UTM wishes to remind students that they are expected to adhere to the Code of Behaviour on Academic Matters regardless of the course delivery method. UTM expects that students will maintain the same academic honesty and integrity both in a classroom setting and online. Potential academic offences related to digital contexts include, but are not limited to:

- Accessing unauthorized resources (search engines, chat rooms, Reddit, etc.) for assessments.
- Using technological aids (e.g. software) beyond what is listed as permitted in an assessment.
- Posting test, essay, or exam questions to message boards or social media.
- Creating, accessing, and sharing assessment questions and answers in virtual "course groups."
- Working collaboratively, in-person or online, with others on assessments that are expected to be completed individually.

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RGASC

The Robert Gillespie Academic Skills Centre (RGASC) is located in Room 3251 on the third floor of the Maanjiwe nendamowinan Building. The RGASC offers individual consultations, workshops (many CCR-accredited), and a wide range of programs to help students identify and develop the academic skills they need for success in their studies. In Winter 2022, their programming will include both in-person and online options. Visit the <u>RGASC website</u> to explore their online resources, book an in-person or online appointment, or learn about other programming such as Writing Retreats, the Program for Accessing Research Training (PART), Mathematics and Numeracy Support, and dedicated resources for English Language Learners.

UTM Library's

UTM Library - The University of Toronto Library provides access to a vast collection of online and print resources to faculty, staff, and students and is the largest academic library in Canada. The UTM Library offers Reference and Research Help inperson and also virtually, through chat, Zoom, and individual research consultations, to help students navigate library databases, find relevant articles for their research, and cite correctly. The Library Workshops and Events help students learn about the search techniques and specialized software, needed to be successful in their academic journey. For more information, visit http://library.utm.utoronto.ca.

Course Schedule

Date	Topic
2022-01-12	Corporations - An Introduction
	 Relationship between the Corporation and its Shareholders Determination of Taxable Income Calculation of Corporate Tax (excluding Manufacturing & processing deduction) The Integration of Corporate and individual taxation
	Readings: Chapter 11
2022-01-19	Organization, Capital Structures and Income Distributions of Corporations
	 Corporate capitalization - Debt or Equity Transferring Assets to a Corporation Corporate Distributions to Shareholders Technical Information on Transferring Assets to a Corporation
	Readings : Chapter 12 including Supplement; Review Chapter 6 (Part II - K and L)
2022-01-26	Organization, Capital Structures and Income Distributions of Corporations - continued from previous class
2022-02-02	 Canadian-Controlled Private Corporations Definition and Basic Principles Taxation of Income Earned by a Canadian-Controlled Private Corporation (excluding SR&ED) Benefits of Incorporations Dividend Policy Loans to Shareholders Limitation of the Small Business Deduction Overall Tax Calculation for a Canadian-Controlled Private Corporation Readings: Chapter 13
2022-02-09	Canadian-Controlled Private Corporations - continued from previous class
2022-02-16	 Introduction to GST/HST General Rules with Respect to Carrying on a Business Input Tax Credits Streamlined Methods for Calculating Net Tax Rules with Respect to Real Property Special Situations Administrative Matters Readings: Chapter 22 (except Part IV and Part VI A)
2022-02-23	*** READING WEEK - NO CLASS OR TUTORIAL ***
2022-03-04	TERM TEST - OUTSIDE OF NORMAL CLASS TIME
	*** Friday March 4 - 7PM to 9PM *** (location TBD - time & date subject to change based on room availability)

2022-03-09	Business Acquisitions and Divestitures- Assets versus Shares
	 Assets versus Shares Implications for the Vendor Implications for the Purchaser The Relationship Between Asset Price and Share Price The Decision to Purchase Basic Principles and Methods of Business Valuations
	GST/HST Information Supplement
	Sale of a Business as a Going Concern
	Readings: Chapter 18 and Appendix A (Part IV)
2022-03-16	Business Acquisitions and Divestitures- Assets versus Shares - continued from previous class
2022-03-23	Business Acquisitions and Divestitures - Tax Deferred Sales
	 Tax-Deferred Sales and Acquisitions Sale of a Closely Held Corporation
	Readings: Chapter 19
2022-03-30	Liability for Tax
	 Resident Individuals and Corporations Non-Resident Individuals and Corporations Decision making and the Residence Issue
	International Business Expansion
	Fundamentals of Tax Planning
	• General anti-avoidance rule (the GAAR)
	Readings: Chapters 3 (Part II); Chapter 20 (Part II); and Chapter 2 (Part IV)
2022-04-06	Partnerships
	 The Standard Partnership - Definition and Format Taxation of Partnership Operations Partnership Income and Losses The Partnership Interest
	Joint Ventures
	Trusts
	 The Trust Entity Tax Treatment of Trusts Determination of Taxable Income and Tax
	Readings: Chapter 15 (Part I & II (A & B)); Chapter 16 (Part II); and Chapter 17 (Part I & II (A & B))
TBA	Final Examination

Last Date to drop course from Academic Record and GPA is March 13, 2022.

The Course Schedule above is subject to change due to the constantly evolving nature of COVID public health measures. Please

check Quercus and emails regularly for any changes to the proposed schedule.							