

**Commerce 4SC3
Advance Canadian Taxation
Winter 2022 Course Outline**

**Accounting and Financial Information Services
DeGroote School of Business
McMaster University**

COURSE OBJECTIVE AND DESCRIPTION

This is the second of two courses in federal income tax law which is designed to achieve the following objectives:

- (1) to explain the theoretical concepts behind the specific provisions of the law,
- (2) to apply the law in practical problems and case settings,
- (3) to interpret the law, taking into account the specific wording of the provisions, judicial decisions and Revenue Canada's position, and
- (4) to introduce basic tax planning concepts through problem application.
- (5) Through the term we will be spending a portion of the class time working through "CFE" style case involving an owner manager and a tax pitfalls and tax planning strategies they should be concern about. This will integrate concepts learned in chapter 3, 4, 6, 8, 12, 13, 14, 15, 16 of the textbook. It is the student's responsibilities to print the cases from the Avenue and bring it to weekly classes.

INSTRUCTOR AND CONTACT INFORMATION

Section 1:
Thursday 8:30–11:20

Section 2:
Tuesday 8:30-11:20

Section 3
Tuesday 14:30–17:20

Section 4
Thursday 14:30–17:20

Eric Bentzen-Bilkvist
Instructor
ericb@petmas.ca
Office: RJC/TBA
Office Hours: To be arranged
Tel: (905) 522-6555, ext 4

Course Website: <http://avenue.mcmaster.ca>

<http://app.tophat.com/>

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
Avenue:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	No	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final Exam:	Yes	Guest speaker(s):	No

REQUIRED COURSE MATERIALS AND READINGS

TEXTBOOKS: We will use the following reading materials, available from the McMaster bookstore. Both text books are required.

- *Introduction to Federal Income Taxation in Canada, 2020 - 2021, 41st edition with Student Study Guide*, CCH Canadian Limited, North York, Ontario 2020.
- *Canadian Income Tax Act with Regulations*. (Current edition available in bookstore).

Texts are available at the bookstore. Due to the volatile nature of the law governing the study of income tax, students should not attempt the course without current text materials.

Components and Weights

Participation (Top Hat)	20%
Mid-term exam <i>Tentative date: February 18, 2022 @ 7:00pm</i>	40%
Final Exam	40%
Total	100%

NOTES: 1) Calculators and one copy of the Income Tax Act will be the only materials allowed for all examinations. The copy of the Income Tax Act may be highlighted, underlined and tabbed. Tabs (maximum 1.25 cm by 4 cm) may be labeled with section numbers and/or titles only. No annotations are permitted in the copy of the Act.

2) The mid-term examination will be graded on a numerical marking scheme. Students will be informed how the numerical marks can be interpreted in terms of the official letter-grade scale at the time the exams are returned.

If you have any specific questions in this regard, please ask.

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy at the following URL:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf>

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students must forward a copy of such SAS accommodation to the instructor normally, within the first three (3) weeks of classes by setting up an appointment with the instructor. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a

regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is: <http://sas.mcmaster.ca>

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar “Requests for Relief for Missed Academic Term Work” and the link below;

<http://ug.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

AUTHENTICITY/PLAGIARISM DETECTION

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

Some courses may use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course.

The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ONLINE PROCTORING

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the "Code"). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students' access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a

Program Coordinator. For further information, consult McMaster University's [Academic Accommodation of Students with Disabilities](#) policy.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office ***normally within 10 working days*** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

RESEARCH USING HUMAN SUBJECTS

All researchers conducting research that involves human participants, their records or their biological material are required to receive approval from one of McMaster's Research Ethics Boards before (a) they can recruit participants and (b) collect or access their data. Failure to comply with relevant policies is a research misconduct matter. Contact these boards for further information about your requirements and the application process. McMaster Research Ethics Board (General board): <https://reo.mcmaster.ca/>

Hamilton Integrated Research Ethics Board (Medical board): <http://www.hireb.ca/>

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce **4SC3** will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

CLASS PREPARATION

Students are expected to do the required readings and keep up with the exercises and assignments at the end of each chapter in the Beam & Laiken text. Class preparation is essential if the student wishes to obtain maximum benefit from class work.

The prime teaching method is the class discussion and solving of assigned problems. During the discussion of an assigned problem the instructor will make overview comments, explain the underlying concepts or rationale of the material being applied and emphasize a systematic approach to problems. Extended lectures will not be given on materials that students can read and understand through application.

INFORMATION FOR CPA CANDIDATES

The CPA of Ontario is continually revising its curriculum in regard to both post university requirements and university grades. It is recommended that students contact the Institute or the School of Business counselors for the current and proposed requirements.

POTENTIAL MODIFICATIONS TO THE COURSE

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

COURSE SCHEDULE

Commerce 4SC3
Canadian Income Taxation II
Winter 2022 Course Schedule

WEEK	DATE	TOPIC	ASSIGNMENT PROBLEMS
1	Chapter 11	<ul style="list-style-type: none"> ▪ Taxable Income for Corporations ▪ Basic Corporation Tax ▪ Manufacturing and processing profits deduction ▪ Credits available to all taxpayers 	5, 6, 7
2&3	Chapter 12	<ul style="list-style-type: none"> ▪ The Concept of integration ▪ The Small Business Deduction ▪ Income from Investments 	10, 13, 14, 15
4	Chapter 13	<ul style="list-style-type: none"> ▪ Planning the use of a Corporation ▪ Shareholder-Manager remuneration ▪ Employment remuneration ▪ Salary versus dividends ▪ General anti-avoidance rules 	3, 4, 7
5	Chapter 14	<ul style="list-style-type: none"> ▪ Obligations of the taxpayer ▪ Powers and obligations of Revenue Canada ▪ Rights of the taxpayer ▪ Obligations of payers and other persons 	1, 5, 6, 8
6	Chapter 15	<ul style="list-style-type: none"> ▪ Purchase and sale of a Business ▪ Share Transaction ▪ Acquisition and Control 	1, 7
7&8	Chapter 16	<ul style="list-style-type: none"> ▪ Corporate surplus distributions ▪ Special taxes on corporate surplus distributions and corporate dividends ▪ Winding-up of a Canadian corporation ▪ Sale of an incorporated business ▪ Implications of the GST 	1, 4, 6, 8, 10
9&10	Chapter 17	<ul style="list-style-type: none"> ▪ Transfers of Property to a Corporation ▪ Transfer of shares ▪ Implications of the GST 	1, 3, 4, 6, 8, 9
11	Chapter 18	<ul style="list-style-type: none"> ▪ Rollovers involving corporations and their shareholders ▪ Rollovers involving shares or corporate securities ▪ Estate freezing ▪ Implications of the GST 	3, 4, 5
12	Chapter 19	<ul style="list-style-type: none"> ▪ Partnerships ▪ Trusts ▪ Implications of the GST 	4, 5, 10