



# Taxation (TAXX) 401

## Taxation II (Revision 33)

**Status:**

Replaced with new revision, see the [course listing](#) for the current revision

**Delivery mode:**

Individualized study online

**Credits:**

3

**Area of study:**

Applied Studies (Business and Administrative Studies)

**Prerequisites:**

**TAXX 301** or equivalent introductory taxation course.

**Precluded:**

None

**Challenge:**

TAXX 401 is not available for challenge.

**Faculty:**

[Faculty of Business](#)


## Overview

*Taxation 401: Taxation II* is designed to be taken as a second course dealing with the basic concepts and procedures associated with the Canadian federal income tax system, as well as the federal goods and services and harmonized sales taxes. It consists of ten lessons.

While it is not possible to neatly divide the *Income Tax Act* into provisions relating to individuals and provisions relating to corporations, the primary emphasis of *TAXX 401* is on the taxation of corporations.

Lessons 1 through 3 cover the basic aspects of corporate taxation. Lessons 4, 5, and 6 deal with more detailed aspects of corporate taxation, taxation and management decisions, rollovers to and from corporations, and the purchase and sale of an incorporated business.

Lessons 7 through 10 are concerned with issues other than corporate taxation. Lesson 7 deals with the taxation of partnerships, Lesson 8 with the taxation of trusts, Lesson 9 with some international issues in taxation, and Lesson 10 with the goods and services and harmonized sales taxes.

*TAXX 401* is an option in Athabasca University's Bachelor of Commerce degree program. Depending on the province you live in, this course may be a requirement in a professional accounting designation program. To ascertain whether this is the case, you should consult with your provincial professional accounting body. See the [Professional Accounting](#)  webpage for details.



## Outline

- Lesson 1: Taxable Income and Tax Payable for Corporations
- Lesson 2: Taxation of Corporate Investment Income
- Lesson 3: Other Issues in Corporate Taxation
- Lesson 4: Corporate Taxation and Management Decisions
- Lesson 5: Rollovers under Section 85
- Lesson 6: Other Rollovers and Sale of an Incorporated Business
- Lesson 7: Partnerships

- Lesson 8: Trusts and Estate Planning
- Lesson 9: International Issues in Taxation
- Lesson 10: GST/HST/Payroll Considerations

## Evaluation

Your final grade in *TAXX 401* will be based on two written assignments, one tax software application assignment (Assignment 5), a midterm examination, and a final examination. **Assignment 5 requires you to download tax return software from the textbook companion website to complete and submit one tax return. This software will only run on a Windows operating system.** See details under Course Materials section below.

To **receive credit**  for *TAXX 401*, you must achieve an overall course grade of at least **D (50 percent)** . In addition, you must

- achieve a grade of at least 50 percent on Assignment 5,
- achieve a grade of at least 50 percent on the midterm examination, and
- achieve a grade of at least 50 percent on the final examination.

Completion of Assignments 1 and 2 and Practice Assignments 3 and 4 is not required in order to receive credit for the course.

The following table summarizes the weights that will be applied to each assignment and examination in determining your final grade.

Activity	Weight
Assignment 1	5%
Assignment 2	5%
Assignment 5	10%
Midterm Examination	35%

Activity	Weight
Final Examination	45%
<b>Total</b>	<b>100%</b>

The **midterm and final examinations** for this course must be requested in advance and written under the supervision of an AU-approved exam invigilator. Invigilators include either ProctorU or an approved in-person invigilation centre that can accommodate online exams. Students are responsible for payment of any invigilation fees. Information on exam request deadlines, invigilators, and other exam-related questions, can be found at the **Exams and grades** [↗](#) section of the Calendar.

To learn more about assignments and examinations, please refer to Athabasca University's **online Calendar** [↗](#).

## Materials

Donell, G. (2022). *Byrd & Chen's Canadian tax principles (2022–2023 ed., Vol. 1, Vol. 2, & Study Guide)*. Pearson Education.  (Print)

## Other Materials

All other materials will be available to students online. **Students are required to download ProFile tax return software** from the textbook companion website to complete Assignment 5. **ProFile will only run on a Windows operating system.** Mac computer users may be able to run ProFile by using third-party software.

## Important links

- > [Academic advising](#) [↗](#)
- > [Program planning](#) [↗](#)
- > [Request assistance](#) [↗](#)
- > [Support services](#) [↗](#)

› [CPA Requirements](#) 

Athabasca University reserves the right to amend course outlines occasionally and without notice. Courses offered by other delivery methods may vary from their individualized study counterparts.

*Opened in Revision 33, April 21, 2023*

*Updated October 8, 2024*

View **previous revision** 

---