



Taxation (TAXX) 401

Taxation II (Revision 34)

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

Delivery mode: [Individualized study online](#). Delivered via Brightspace.

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 of the Canadian federal income tax system. It also covers the federal goods and services and harmonized sales taxes (GST and HST).

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

Lessons 1–3 cover the basic aspects of corporate taxation.

Lessons 4–6 deal with more detailed aspects of corporate taxation, taxation and management decisions, rollovers to and from corporations, and buying and selling incorporated businesses.

Lessons 7–10 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 (GST and HST) and payroll considerations.

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** [↗](#).

Learning outcomes

When you have completed this course, you should be able to

- apply income tax rules and provisions and determine taxable income and tax payable for corporations and other non-individual taxable entities (partnerships, trusts, estates).
- apply tax rules to corporate loss carryovers, investments, shareholders' equity, surplus, rollovers, sales, and purchases.
- discuss the taxation advantages and disadvantages of incorporation and the associated compensation implications.
- assess the implications of international issues in taxation, including tax treaties, residence regulations, non-resident Canadian source income, and immigration/emigration.
- apply tax parameters related to GST, HST, and payroll matters.

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 and 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 the Materials section.


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.

Completing Assignments 1 and 2 and Practice Assignments 3 and 4 is not required 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%
Final Examination	45%
Total	100%

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.

Materials

Physical course materials






The following course materials are included in a course package that will be shipped to your home prior to your course's start date:

Donell, G. (2025). *Byrd & Chen's Canadian tax principles (2024–2025 ed., Vol. 1, Vol. 2, & Study Guide)*. Pearson Education.

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 at AU](#) 
- › [CPA Requirements](#) 

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

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View **previous revision** 
