Name

Instructor

Subject

Date

**Answer 1**

The person used to buy tickets from scalpers in the street. He paid a certain amount of money to the college so that it can buy tickets on his behalf and then he will buy tickets from college. There is a difference between two payments made by person in terms of acceptable treatment for tax purposes. When he bought tickets from scalpers, there were no such issues because these payments cannot be shown on tax returns.

**Answer 2**

The general issue to be addressed is the ascertainment of expenses as either being tax deductible or not. This will mean that there will be different amounts of taxable incomes in either case. This is also important because tax returns must be filed in accordance with the income tax laws. Wrongly prepared returns may result in various penalties.

**Answer 3**

Tax and contributions will be two words that can be used to search this question. These terms do not produce helpful results because they do not represent the scenario in full. In order to improve the search, tax deductible expenses should be used instead of tax. This will provide us with a list of expenses which are deductible before calculating the taxable income for a given period. In the scenario, price paid for tickets is not deductible for tax purposes which means that the person will not be able to deduct it from his income while making his tax schedule. The term contribution will be replaced by charitable contribution and tax deduction which will provide us with a list of payments made to various charitable institutions which can be deducted to reduce taxable income (Kess and Grimaldi). The payment made to university can be deducted as a charitable contribution. A question may also be asked as to why payment for tickets is considered a charitable contribution.

# **Work Cited**

Kess, Sidney and James Grimaldi. "Explaining the New Landscape for Charitable Tax Breaks." *The CPA Journal* (2019): 66-68.