



Course ACCT 6353.502, Fundamentals of Taxation II
Professor John Gamino
Term Fall 2016
Meetings Tuesdays & Thursdays, 5:30–6:45 p.m., JSOM 1.110

Professor's Contact Information

Phone (972) 883-5997, but e-mail is always the best way to reach me.

Office Location JSOM 3.616

Email Address john.gamino@utdallas.edu (Be sure to include the course and section number in addition to your full name in all communications.)

Office Hours T & Th, 12:30–2:30 p.m. and 4-5:00 p.m., or by appointment.

General Course Information

Pre-requisite ACCT 6350 or equivalent.

Course Description This course focuses on the choice, formation, capitalization, and operation of both taxable and “conduit” business entities. It includes survey coverage of common corporate and partnership tax issues affecting the entity, its equity investors, and other stakeholders.

Objective: To Use Critical Thinking – To understand and apply income tax concepts that influence decisions of corporation managers, the course will concentrate on tax effects in the following areas:

1. Creation of Corporations
2. Corporate Distributions
3. Corporate Reorganizations
4. Tax Practice and Dealing with the IRS

Student Learning Objectives To determine how distributions affect the tax liabilities of both shareholders and the corporate entity. To apply concepts to determine the best course of action for both the shareholders and the corporate entity.

Objective: To Understand Ethical Considerations in Tax Practice – Students will develop an appreciation of the requirements and concepts contained in the AICPA Statements on Standards for Tax Services.

Objective: To Enhance Communication Skills – To improve communication skills, students will prepare a research project.

Required Texts & Materials Hoffman, Raabe, et al., *Corporations, Partnerships, Estates & Trusts* (Cengage/South-Western, 2017)
I will post or distribute additional required reading.

Assignments & Calendar

Each student should understand from the outset that this is a reading-intensive course. Equally important is for each student to accept that self-study necessarily is the most important learning mechanism. The purpose of classroom time, by contrast, is to provide direction and support, to clarify the results of the self-study process, and to refine and sharpen understanding through the testing and exchange of ideas. Thus, I expect each student to have reasonably mastered the assigned reading before coming to class. Office hours are scheduled before each class session specifically to allow students to seek assistance toward resolving any lingering confusion.

Chapter assignments indicated below are intentionally very general. Precise reading assignments will be designated in advance, usually at or shortly after each week's class sessions. In addition, each student should become familiar with Appendix A-3 (Income Tax Rates—Corporations) as well as Forms 1065, 1120, and 1120S (and their respective supporting schedules) in Appendix B.

NOTE: This pro forma schedule is subject to adjustment as the semester progresses.

Session 1	Course Overview; Tax Treatment of Various Business Forms (8/23)
Session 2	Introduction to the Income Taxation of Corporations (8/25) <u>Reading:</u> Chapter 2
Session 3	Determining the Corporate Income Tax Liability (8/30) <u>Reading:</u> Chapter 2
Session 4	DPAD (9/1) <u>Reading:</u> Chapter 3
Session 5	AMT (9/6) <u>Reading:</u> Chapter 3
Session 6	Transfers to Controlled Corporations (9/8) <u>Reading:</u> Chapter 4
Session 7	Capital Structure of a Corporation (9/13) <u>Reading:</u> Chapter 4
Session 8	Investor Losses; Small Business Stock (9/15) <u>Reading:</u> Chapter 4
Session 9	Corporate Distributions—Overview; Earnings & Profits (E&) (9/20) <u>Reading:</u> Chapter 5
Session 10	Dividends; Distributions of Appreciated Property (9/22) <u>Reading:</u> Chapter 5
Session 11	Stock Dividends; Constructive Dividends (9/27) <u>Reading:</u> Chapter 5

- Session 12** Stock Redemptions; Stock Attribution Rules (9/29)
Reading: Chapter 6
- Session 13** Stock Redemptions—Sale or Exchange Treatments (10/4)
Reading: Chapter 6
- Session 14** Section 331 Liquidations (10/6)
Reading: Chapter 6
- Session 15** Section 332 (Parent-Subsidiary) Liquidations (10/11)
Reading: Chapter 6
- Session 16** Reorganizations—In General; Judicial Doctrines (10/13)
Reading: Chapter 6
- Session 17** “A” Reorganizations (10/18)
Reading: Chapter 7
- Session 18** “B” and “C” Reorganizations (10/20)
Reading: Chapter 7
- Session 19** “E”, “F” and “G” Reorganizations (10/25)
Reading: Chapter 7
- Session 20** Divisive Reorganizations—Section 355; “D” Reorganizations (10/27)
Reading: Chapter 7
- Session 21** Tax Attribute Carryovers (11/1)
Reading: Chapter 7
- Session 22** Consolidated Returns (11/3)
Reading: Chapter 8
- Session 23** Taxation of International Transactions (11/8)
Reading: Chapter 9
- Session 24** S Corporations—Eligibility, Election (11/10)
Reading: Chapter 12
- Session 25** S Corporations—Operational Rules (11/15)
Reading: Chapter 12
- Session 26** Partnerships (11/17)
Reading: Chapter 10
- Session 27** Partnerships (11/29)
Reading: Chapter 11

QUIZZES

Each regular class session after Session 2 will begin with a quiz covering the reading assignment for that session. Each quiz will consist of ten (10) question—multiple choice, “fill in the blank,” short answer, or other form.

Scoring:

10 correct responses = 2 points
9 correct responses = 2 points
8 correct responses = 2 points
7 correct responses = 1 point

Less than seven correct responses will result in no (zero) points earned.

As planned, these quizzes, in the aggregate, will be worth a maximum of 50 points (50% of final grade) – i.e., 25 quizzes x 2 points (maximum) = 50.

There will be no “make-ups” for missed quizzes. Instead and if and only if a student misses no more than three quizzes over the course of the semester, the average score for taken quizzes will serve as the basis for extrapolating a total “quiz score” for the course.

For example:

- Step 1: 22 quizzes taken with scores of 3 quizzes x 0 points, 5 quizzes x 1 point, and 14 quizzes x 2 points = 75% average (33/44);
- Step 2: 50 x 75% = 38 points (see “Rounding” explanation, next page).

NOTE: Any student missing more than three quizzes will simply have to live with the total of her or his scores for quizzes actually taken. For example: Same as above except that the student also misses one of the quizzes counted above as earning 2 points. That student’s total “quiz score” for the course will be 31 points.

Course Policies

Grading	<p>Each student will earn a final letter grade for this course based on the aggregate of her or his (i) quiz scores, (ii) Final Exam score, and (iii) tax project score. The highest achievable (absolute) score for the course is 100, subject to rounding as explained below.</p> <p><u>Quizzes</u>, as stated, occur promptly at the beginning of each regular class session after Session 2. Each student is responsible for monitoring quiz points as posted in the eLearning gradebook and alerting me to any errors. No scores will be reviewed or changed if notification of a potential error is received (i) later than two weeks after the date of that quiz or (ii) prior to the beginning of the Final Exam, whichever is sooner. Appropriately annotated quizzes are an important component of each student’s course notes and should be retained through the end of the course (and then destroyed).</p>
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	<p>The <u>Final Exam</u> in this course will be comprehensive and may include questions in any format (calculation-based problems, multiple choice, etc.). It will be geared in terms of level of difficulty to CPA exam questions. Final Exam questions are worth one point each.</p> <p>Note: Quizzes and the final exam are “closed book.” Unless otherwise specified, no calculators, smart phones/watches, notes, or other materials of any kind may be consulted or used.</p> <p>Curve, Rounding In the event that the highest numeric score achieved by any student in the class is less than 100, all final scores will be curved against that highest score in order to determine each student’s final score on a percentage basis. Example: your final numeric score = 88; class high score = 98; $88/98 = 89.8$, rounded to 90 (.50 or higher rounded up to the next whole point, .4999 or lower rounded down). Note: This curve will not involve a denominator of less than 95 regardless of what the class-high score may be.</p> <p>Final Grades Each student’s final letter grade for the course, based on her or his final (curved) numeric score, will be determined using the following scale:</p> <table border="1"> <thead> <tr> <th>Score</th><th>Grade</th></tr> </thead> <tbody> <tr> <td>93-100</td><td>A</td></tr> <tr> <td>90-92</td><td>A-</td></tr> <tr> <td>87-89</td><td>B+</td></tr> <tr> <td>83-86</td><td>B</td></tr> <tr> <td>80-82</td><td>B-</td></tr> <tr> <td>77-79</td><td>C+</td></tr> <tr> <td>70-76</td><td>C</td></tr> <tr> <td>Less than 70</td><td>F</td></tr> </tbody> </table>	Score	Grade	93-100	A	90-92	A-	87-89	B+	83-86	B	80-82	B-	77-79	C+	70-76	C	Less than 70	F
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Less than 70	F																		
Make-up Exams	(Only in very rare circumstances and in the Professor’s sole discretion.)																		
Tax Project	<p>This course includes the requirement that each student to complete and submit a tax project, <u>either alone or as a team with one other student</u> but in either case affirming at the time of submission that all work was completed by that student or team working alone. Any consultation or collaboration with <u>any other person</u> prior to submission will be treated as a violation of section 49.10 of the Student Code of Conduct, http://policy.utdallas.edu/utdsp5003, reproduced below.</p> <p>The substantive details of the project will be discussed in class and I will post or distribute a scoring rubric to guide you in your work.</p> <p>This project is worth up to ten (10) points. Where the project is submitted by a team, each team member will earn the same number of points (if any).</p>																		
Class Attendance	Attendance as such is neither recorded nor rewarded. Lack of attendance, however, predictably will have an adverse impact on a student’s final grade.																		

Classroom Citizenship	Classroom sessions are conducted as business meetings. Any submission of work (quiz answer sheets, for example) under a name other than a student's own is a violation of the Student Code of Conduct, as above, as is any communication between or among students during a quiz or exam (including "passive communication" in the form of allowing another student to observe your answer sheet).
UT Dallas Syllabus Policies and Procedures	<i>The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus. Please go to http://go.utdallas.edu/syllabus-policies for these policies.</i>

NOTE: *The descriptions and timelines contained in this syllabus are subject to change.*

Section 49.10: Code of Conduct

The University of Texas at Dallas has rules and regulations for the orderly and efficient conduct of their business, and each student is charged with notice knowledge of and compliance with the contents and provisions thereof.

Because the value of an academic degree depends on the absolute integrity and character of the student the university expects all students to maintain a high level of responsibility with respect to their behavior. As a member of the university community, it is imperative that a student maintain a high standard of individual responsibility and civility.

The dean may initiate disciplinary proceedings under Subchapter D against a student accused of a violation of the Code of Conduct upon complaint by a faculty member, a student or other source.

Any behavior which may have been influenced by the use of drugs or alcoholic beverages shall not in any way limit the responsibility of the student for the consequences of his or her actions.

Disciplinary action may be initiated for misconduct which includes:

- a. **Plagiarism:** The adoption or reproduction of ideas, words, statements, images or works of another as one's own or work offered for credit without appropriate attribution.
- b. **Cheating:** Includes but is not limited to the use or attempted use of unauthorized materials, information, or study aids in any academic exercise; the use of sources beyond those authorized by the instructor in completing any academic exercise or, engaging in any behavior specifically prohibited by the faculty member in the course syllabus or class discussion. Academic exercise includes all forms of work submitted for credit or hours.
- c. **Fabrication:** Falsification or creation of any information, data or citation in an academic exercise.
- d. **Collaboration and/or Collusion:** Seeking or providing aid to another student in completion of any assignment submitted for academic credit without explicit authorization from the faculty member.