

Course	ACC 384.3 Taxation of Entities II (Flow-Through Entities)
Professor	Terri Holbrook, CPA, MST
Term	Fall 2013
Meetings	Section #2965 TTH 12:30 – 2:00pm GSB 2.122 Section #2970 TTH 2:00 – 3:30pm GSB 2.122 Section #2971 TTH 3:30 – 5:00pm UTC 3.104
Office and hours	4M.208; T,TH 5:00-6:00pm, or by appointment
Professor contact	Terri.Holbrook@mcombs.utexas.edu phone 512-471-2888
Teaching Asst	Kelly Slemon kelly_lea_s@yahoo.com

Course Description	This course will include an in-depth analysis of Subchapter K of the Internal Revenue Code, which covers the structure and principals governing the taxation of non-corporate flow-through entities. The course will also cover the taxation of S-Corporations.
Prerequisites	This course is designed for graduate accounting students who are pursuing the Tax Track of the MPA program. Prerequisites include an introductory tax course (ACC 380K.11, ACC 355, or equivalent) and completion or concurrent enrollment in a tax research course (ACC 384.1, or equivalent).
Learning Objectives	After completing this course, students should have: <ol style="list-style-type: none"> 1. An appreciation of the complexity of Subchapter K and the supporting Regulations and case law; 2. An understanding of the concepts behind the aggregate and entity theories of partnership taxation; 3. Learned the fundamentals of partnership taxation using a life-cycle approach, including formation, operation, allocations, distributions and liquidations; 4. An understanding of more complex areas, including transactions between a partnership and its' partners, sale of a partnership interest and death of a partner; 5. A working knowledge of Subchapter S corporations and the ability to compare and contrast between all flow-through tax entities.

<p>Required Text and supplemental resources</p>	<p>Fundamentals of Partnership Taxation: Cases and Materials 9th Edition Schwarz & Lathrope, Thomson-West publisher ISBN 9781609300692</p> <p>Course Packet available in GSB UT Copy Center, includes relevant sections of the Internal Revenue Code</p> <p>Other required readings and resources, as posted on Blackboard Supplemental resources on UT Library website</p>
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**General Course Information
Course Policies**

<p>Grading Criteria</p>	<p>Students will be evaluated through a combination of projects, exams, and a qualitative “professionalism” grade. Points will be allocated as follows:</p> <ul style="list-style-type: none"> • First exam (200 points) • Second exam (200 points) • Final exam (250 points) • Partnership tax return (100 points) • Group project (150 points) • Professionalism; described below (100 points) • Total Points – 1,000 <p>A plus or minus grading scale will be used to assign final grades, with an expected distribution curve around an average GPA of 3.2</p>
<p>Exams</p>	<ol style="list-style-type: none"> 1. The exams will be administered during the times outlined in this syllabus calendar. Please reserve these times in advance so that you do not have a conflict during a scheduled exam. You must sit for the exams on the dates and times scheduled. If an extraordinary event (death in immediate family, illness requiring hospitalization, etc.), contact me before the exam and I will resolve on an individual basis. 2. Exams will test the material covered since the last exam; however, due to the integrated nature of tax law, there may be a comprehensive element to each exam. 3. During each exam you may use a calculator, your text, notes, and any printed material you wish to bring. You may not bring your laptop, tablet, cell phone or other PDA device to exams.
<p>Outside Reading and Problems</p>	<p>There is assigned reading for each class meeting and you are expected to come prepared to discuss the material.</p> <p>Problems are included in each chapter and the solutions to the problems are posted on Blackboard. Although these problems will not be collected or graded, you are expected to attempt these problems as they will help you learn the material and prepare for the exams.</p>

Tax Return	A U.S. Return of Partnership Income (Form 1065) will be assigned and completed in groups. All information will be provided for you to prepare the return, including a list of the forms and schedules required. These forms are available at www.irs.gov in fill-out and print format. Tax preparation software is NOT permitted.
Group Project	Students will work in groups on a project that will be assigned mid-semester. This project will incorporate tax research, comprehension and analysis, critical thinking, technical writing, creative presentation development and communication skills.
Professionalism	<p>In calculating your final grade, 100 points will come from your display of professionalism in my class. This discretionary evaluation will be based upon the following:</p> <ul style="list-style-type: none"> • Class attendance • Participating in class discussions • Evidence of preparedness by responding to class questions • Courteous consideration of classmates • Showing respect to classmates by turning off laptops, unless an assignment requires the use of a laptop • Turning off all cell-phones and PDAs • Contributing to the learning environment of the classroom
Class Attendance	You are expected to attend all classes and absences will be noted. It is in your best interest to attend class and be prepared. If you must miss a class, it is your responsibility to contact another student to get the lecture notes and other materials that you missed.
Classroom Citizenship	Please turn off all cell phones, PDAs and iPods during class. Laptops or Tablets may be used only to take notes or view class materials, <u>and</u> if they are not distracting to others.
Email	I may communicate important information from time to time via email. Please regularly check your utexas email.
Blackboard And privacy issues	<p>This course will utilize the Blackboard learning management system, which you may access at https://courses.utexas.edu The syllabus, class slides and other important information will be posted there.</p> <p>Password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html</p>

<p>Academic Integrity</p>	<p>The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Policy Statement on Scholastic Dishonesty for the McCombs School of Business:</p> <p>By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.</p>
<p>Student Grievance Procedures</p>	<p>If you have a complaint regarding your grade on an exam, please discuss with me as soon as possible after the exam. I will not consider any grade changes if brought to my attention more than three days after exam results are returned to you.</p> <p>If a student has a grade grievance on his/her final course grade, the student must follow the specified procedures established by the University.</p>
<p>Drop/Add, Withdrawal or Incomplete policy</p>	<p>Please refer to the academic calendar for the last day to drop/add a course without financial or academic penalty. It is the student's responsibility to handle withdrawal requirements from any class. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.</p> <p>If a student fails to complete this course for illness or other reason deemed adequate, I will use my discretion to assign a grade of I (Incomplete). This will be handled on an individual basis.</p>
<p>Religious Holy Days</p>	<p>Absences on religious holidays listed in the University calendar are recognized as excused absences. Nevertheless, students are fully responsible for all material presented during their absence. If such a religious holiday falls on an exam date, please notify me as early as possible. I will handle on an individual basis.</p>
<p>Students with disabilities</p>	<p>The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.</p>

Course Schedule (may change with adequate notice to students)

DATE	TOPIC	TEXT	IRC Sections
Aug 29	Introduction to Subchapter K	Ch 1	
Sept 3	Tax classification of business enterprise; choice of business entity	Ch 1	761(a), 7701(a)(3), 7704
Sept 5	Contributions of property; basics of liabilities	Ch 2	721,722,723,704(c)(1)(A), 724,752(a)-(c)
Sept 10	Contributions of services	Ch 2	83(a)-(c) and (h), 709
Sept 12	Operations: aggregate and entity principles	Ch 3	701,702(b),703,706(b)
Sept 17	Operations consequences to partners	Ch 3	701,702,703(a),705,706(a)
Sept 19	Limitations on partnership losses	Ch 3	704(d),465,469
Sept 24	Special allocations under 704(b)	Ch 4	704(b)
Sept 26	Allocations for contributed property	Ch 4	704(a) and (c),724,751(c) and (d)
Oct 1	Allocations of partnership liabilities; varying interests; family partnership rules	Ch 4	704(c)(1)(A), 752(a)-(c), 706(c) and (d), 704(e)
Oct 3	Exam 1; 6:00-8:30pm Chaps 1-4		
Oct 8	Payments for services and use of property	Ch 5	707(a) and (c),267(a)(2) and (e)(1)
Oct 10	Sales and exchanges of property between partners and partnerships	Ch 5	267(a), (c) and (d)
Oct 11	Tax Returns Due		
Oct 15	Sales and exchanges of partnership interests	Ch 6	705(a),706(c),741,751,752(d), 1(h)(5)(B),
Oct 17	Sec 754 elections	Ch 6	742,743,752(a),754,755
Oct 22	Operating distributions	Ch 7	731,732,733,735,
Oct 24	Mixing bowl transactions	Ch 7	704(c),737,731(d),732(e),751(b)
Oct 29	Liquidation of a partner's interest	Ch 8	736,761(d),731,732
Oct 31	Liquidation vs. sale of a partnership interest	Ch 8	731,732,736,741,751
Nov 5	Liquidation and termination of a partnership	Ch 8	708
Nov 7	Death of a partner	Ch 9	706(c),708(b),691(a)-(c),736
Nov 12	Exam 2 (6:00 – 8:30pm) Chaps 5-9		

Nov 14	Formation and operation of S-Corporation	Ch 11	1361,1362,1378,
Nov 19	Limitation of losses and distributions to shareholders	Ch 11	1363,1366,1367,311(b),1368, 1371
Nov 21	Special issues of S-Corporations	Ch 11	1363, 1371, 1372, 1374, 1375
Nov 26	Group projects		
Nov 28	Thanksgiving Holiday		
Dec 3	Group projects		
Dec 5	Group projects		
Dec 11-17	Final Exam Date and time tbd		