



## ACCT 384.2 – Taxation of Entities I

Spring 2014

Unique Numbers: 02925, 02930

Professor	Kristina Zvinakis
Office	CBA 4M.222 (512.471.5314)
Office hours	Tuesday 10:00-11:30 am, Thursday 2:00–4:00 pm, when the door is open and by appointment
e-mail	<a href="mailto:kristina.zvinakis@mcombs.utexas.edu">kristina.zvinakis@mcombs.utexas.edu</a>

### 1 | Learning objectives

Most individuals working in the tax area will encounter corporate tax issues. To successfully resolve those issues, a solid foundation in the calculation of the corporate tax liability and an understanding of the tax law that affects the transactions that take place in the life of a C corporation are required. Therefore, my goals in this class are

- to facilitate your understanding of the fundamental concepts governing the taxation of corporations,
- to facilitate your understanding of the fundamental concepts governing the taxation of corporate-shareholder transactions, and
- to enhance your ability to read, interpret and apply tax law to corporate operations and transactions involving a corporation and its shareholders.

### 2 | Materials

*Text:* South-Western Federal Taxation 2014: Corporations, Partnerships, Estates and Trusts, 37th Edition, Hoffman/Raabe/Smith/Maloney See Download chapters specified in the Course Outline (associated with this syllabus) or buy or rent the text using this link:

[http://www.coursesmart.com/IR/1255133/9781285424484?\\_\\_hdv=6.8](http://www.coursesmart.com/IR/1255133/9781285424484?__hdv=6.8)

*Instructor class notes and supplemental articles:* Available via BlackBoard

*Tax Research Services* – To access readings not posted to BlackBoard or to undertake tax research, all University of Texas students have access to three electronic tax research libraries - CCH Tax Research Library, RIA Checkpoint Tax Research Service, and Lexis-Nexis Academic Universe – via the University Library’s webpage. The BNA Tax Management research service, accessed via RIA, may also be helpful in understanding corporate tax issues.

### 3 | Keys to success

To successfully master the principles of corporate taxation you will need to practice applying the concepts we discuss in class. The theory underlying corporate taxation is straightforward; the application is where everything gets complicated and your understanding of these concepts is truly tested.

You are expected to attend class. This means that you are expected to arrive on time and to remain for the entire class period. If you do miss a class, it is **your** responsibility

to ensure that you obtain any handouts or assignments and understand the material covered in the class missed. Also, because this is an accelerated class you will need to diligently prepare for each session in order to keep up with the material. Falling behind in such a compressed class will make it more difficult to be successful in this class.

Finally, because we will not be using laptops or tablets in class, I request that you not turn on or use your laptops or tablets during class unless you are asked to do so.

#### 4 | *E-mail, BlackBoard and class notes*

I will communicate with you regularly via e-mail; you are responsible for the content of these messages. I will use the e-mail account that appears in the class roster to create a class mailing list. This e-mail address is the one that appears with your name in the UT Directory. If you have changed your e-mail in the recent past you should verify, via UT Direct, that the e-mail specified is the e-mail you are using.

The BlackBoard page maintained for this class also provides useful course information. To access this page you will need a UT-EID. Go to <http://courses.utexas.edu>. You should access this page on a regular basis to ensure you are up to date and aware of what is going on in ACCT 384.2. Additionally, class notes for each class (a PowerPoint file) will be posted to BlackBoard the day before the class meeting. You will find the tax return project information here, as well.

#### 5 | *Evaluation*

A rigorous academic environment will be maintained in Accounting 384.2. Grades are earned based on your performance on the following:

Midterm exam	150 points
Homework and lab assignments	140 points
Tax return project	200 points
Participation	80 points
<u>Final exam (comprehensive)</u>	<u>200 points</u>
Maximum possible points	770 points

An effort has been made to coordinate exam and assignment dates in this course and Professor Bredeson's course to avoid overwhelming everyone involved.

*Tax return project:* The tax return project will require you to complete a corporate tax return in four parts. The due dates for the different parts of the project appear in the Course Outline. You may work in groups on this project. A group should consist of **no more** than 3 people. You can choose your own group at the beginning of the term and you will work with that group throughout the semester. If you have trouble finding a group, please let me know. Each group should complete their own project.

*Late assignments:* If you hand in an assignment after the due date, you will lose 5 points for every day the assignment is late. After the assignment is discussed in class or returned (whichever is earlier), I will no longer accept the assignment for a grade.

*Participation:* I believe that participating during class allows you to better understand the topics we discuss and improves the learning environment for everyone. Explicitly including participation in your performance evaluation provides an incentive to take

preparation for class and participation seriously. Your participation will be evaluated on three dimensions: (1) attendance, (2) voluntary contributions to class discussion and (3) answers to questions asked of you (by me) during class. That is, during a portion of class each day, I will randomly call on students to answer questions related to the topic of discussion. When you are called on, your participation grade will be detrimentally affected if you choose not to answer the question, cannot attempt a reasonable answer or are not in class.

Anyone arriving late to class (meaning arriving I have started talking) will lose their participation points for that class period. Arriving late disrupts flow of the class and is distracting and disrespectful to everyone in the classroom.

Individual absences from class do not need to be explained, but if you would like to e-mail me to tell me that you will not be in attendance, you are welcome to do so.

Finally, I expect that you will attend the section of the course in which you are enrolled.

*Midterm and final exam:* This course has a midterm exam and a comprehensive final exam. You are required to take both of these exams. **There are no make-ups for any exam.** Both the midterm and the final will be given in the evening. The date and location of these exams are detailed in the course outline, will be posted to BlackBoard and will be announced in class. Each student is responsible for managing his/her own personal schedule to be present at these exams. If you miss an exam because of an illness or other dire and irreconcilable conflict, you should notify me as soon as possible and present written documentation of your absence (e.g., note from physician). I have final authority to determine if your absence is justified. Your grade will be determined at the time that your absence is excused. Note that this is an individual determination based on the facts and circumstances of each case.

*Grade disputes:* Any concerns or questions about grading on an assignment or exam must be resolved in the week after the graded assignment or exam is returned in class. This time frame applies whether or not you were present in class to receive your graded assignment or chose to retrieve it from your mail folder. Beginning in the Fall 2009 semester the University of Texas at Austin instituted plus/minus grading for all students. Department of Accounting policy requires that a grading scale including pluses and minuses be used for all Accounting classes. Note that for MPA students, a grade point average of 3.0 is required to successfully graduate from the University of Texas at Austin.

## 6 | *Dropping the course*

The course catalog details both add and drop date deadlines. Students enrolled in graduate classes, at the discretion of the instructor, are allowed to drop the class up until the last day of the term without academic penalty. A student who stops attending without notification or without the submission of a drop form will automatically earn a grade of "F" for the semester.

## 7 | *Academic misconduct*

Academic misconduct includes (but is not limited to) cheating, fabrication, facilitation of academic misconduct by others, and plagiarism, and is a serious academic offense. Neither the Department of Accounting nor I will tolerate academic dishonesty. The

responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the department's Policy Statement on Scholastic Dishonesty in the MPA Program. 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.

*Application of departmental policy to assignments in this course*

*Graded assignments (e.g., Tax return projects, homework problems):* Each group's solution should be independently prepared. Groups should not refer to other students, other groups' solutions, or to solutions prepared in previous semesters. All questions about the tax return project are to be directed to me or to the TA for this class; all other questions directed to me. Violation of these policies will be treated as an act of scholastic dishonesty. Evidence of non-independent work will be forwarded to Student Judicial Services with a recommendation that a grade of "F" be assigned in the course.

*Exams:* Each student is expected to independently complete an exam during the designated exam period. No student should refer to other students' exam solutions or discuss the exam with other students during the exam period. Violation of this policy will be treated as an act of scholastic dishonesty. Evidence of non-independent work will be forwarded to Student Judicial Services with a recommendation that a grade of "F" be assigned in the course.

**8** | *Course outline*

The course outline included in this syllabus details daily topic coverage and homework due dates. Reading assignments and details of homework assignments are provided on the Blackboard page for this course.

Date	Topic	Assignment
1. January 6	Course overview; Introduction Incorporation	
2. January 8	Incorporation (concluded) Corporate operations Tax year Methods of accounting	
3. January 10	Corporate operations Methods of accounting Depreciation	
4. January 13	Corporate operations Depreciation Amortization Property dispositions Business expenses (start)	
5. January 15	Corporate operations Charitable contributions Dividends received Net operating losses Domestic production activities	
6. January 17	Corporate operations Corporate tax liability New repair regs AMT - Theory	<i>TR Project - Part I due</i>
7. January 20	MLK Holiday (no in class meeting)	
8. January 22	Corporate operations AMT	
9. January 24	Corporate operations Credits Surtaxes Affiliated groups Distributions (background)	

<b>Date</b>	<b>Topic</b>	<b>Assignment</b>
10. January 27	<b>Midterm exam (7 - 9:15 pm)</b>	
11. January 29	Distributions One way distributions	<i>TR Project - Part II due</i>
12. January 31	Distributions One way distributions Redemptions	
13. February 3	Distributions One way distributions Redemptions Liquidations	<i>Research skills exercise</i>
14. February 5	Liquidations Compensation	
15. February 7	Compensation	<i>TR Project - Part III due</i>
16. February 10	Compensation	
17. February 12	Compensation	
18. February 13	<b>Final exam (6 - 9 pm)</b>	
February 14		<i>TR Project - Part IV due by 5 pm</i>