



THE UNIVERSITY OF TEXAS AT AUSTIN  
**McCOMBS SCHOOL OF BUSINESS**

<b>Course</b>	<b>ACC 364, Fundamentals of Taxation</b>
<b>Professor</b>	Terri Holbrook, CPA, MST
<b>Term</b>	Spring 2013
<b>Meetings</b>	Section #02635, MW 2:00-3:30pm, GSB 2.122
<b>Office and hours</b>	4M.208; MW 5:00-6:00pm, or by appointment
<b>Professor contact</b>	<a href="mailto:Terri.Holbrook@mcombs.utexas.edu">Terri.Holbrook@mcombs.utexas.edu</a> phone 512-471-2888
<b>Teaching Asst</b>	Dan Li <a href="mailto:Dan.Li@bba10.mcombs.utexas.edu">Dan.Li@bba10.mcombs.utexas.edu</a> Caitlyn Buxie <a href="mailto:c.buxie@gmail.com">c.buxie@gmail.com</a>

<b>Course Description</b>	This course is directed at upper level business students, as an introductory tax course to expose them to a broad range of tax concepts. Emphasis will be on Federal income taxation and the importance of taxation in the business decision-making process.
<b>Prerequisite</b>	ACC 311 or 311H, and 312 or 312H, with a grade of at least C- in each
<b>Learning Objectives</b>	<p>After completing this course, students should have:</p> <ol style="list-style-type: none"> <li>1. An appreciation for the roll of taxes in today's economic environment, tax policy, and the source of Federal tax law;</li> <li>2. An understanding of tax planning in business decisions, and the impact of taxes on various transactions;</li> <li>3. Learned the basic terms, concepts and theories of federal taxation as applied to property transactions;</li> <li>4. An appreciation for the Federal tax rules that apply to various forms of business organizations including C corporations and flow-through entities;</li> <li>5. The ability to apply Federal tax rules and regulations to the individual taxpayer, and to calculate an individual's Federal taxable income and tax liability.</li> </ol>

<p><b>Required Text and supplemental resources</b></p>	<p>Principles of Taxation for Business and Investment Planning, 2013 Edition, Sally M. Jones and Shelley C. Rhoades-Catanach, (Irwin/McGraw-Hill)</p> <p>Other required readings and resources to be posted on Blackboard or provided to students in class.</p>
--	---

**General Course Information  
Course Policies**

<p><b>Grading Criteria</b></p>	<p>Students will be evaluated through a combination of a project, exams, and a qualitative “professionalism” grade. Points will be allocated as follows:</p> <ul style="list-style-type: none"> <li>• First exam (200 points)</li> <li>• Second exam (200 points)</li> <li>• Final exam (250 points)</li> <li>• Individual tax return project (100 points)</li> <li>• Group presentation (150 points)</li> <li>• Professionalism; described below (100 points)</li> <li>• Total Points – 1,000</li> </ul> <p>Based upon this point system, final course grades will be assigned to reflect a student’s mastery of the material as demonstrated by performance. Plus or minus grading will be used for final course grades and I expect a normal distribution around an average GPA of 3.2.</p>
<p><b>Exams</b></p>	<ol style="list-style-type: none"> <li>1. The exams will be administered during the dates and times specified in this syllabus calendar. (Note that they are in the evening.) Please reserve these times so that you do not have a conflict during a scheduled exam. If a conflict exists due to another scheduled class or exam, you must notify me and we will arrange a make-up time, in <u>advance</u> of the regularly scheduled exam. In an extraordinary event (death in immediate family, illness requiring hospitalization, etc.), contact me before the exam and I will resolve on an individual basis.</li> <li>2. All 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. The format of the exams will be a combination of problems, short answer, essay and multiple choice.</li> <li>3. I will inform you in advance of the exam what materials you may bring with you to use as resources. Always bring a calculator, but laptops, tablets, cell phones or other PDA devices are not allowed in exams.</li> </ol>
<p><b>Outside</b></p>	

<p><b>Reading and Homework</b></p>	<p>There is assigned reading in the text for each class meeting and you are expected to come prepared to discuss the material.</p> <p>Discussion questions and problems are assigned from the text at the end of each covered chapter. These problems will not be collected or graded, but are designed to assist you in learning the material that will be tested. The solutions to these problems will be provided and I strongly suggest you take advantage of these exercises to help you learn the material and prepare for the exams.</p>
<p><b>Tax Return</b></p>	<p>A Federal Individual income tax return (Form 1040) 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 <a href="http://www.irs.gov">www.irs.gov</a> in fill-out and print format. Tax preparation software is NOT permitted.</p>
<p><b>Group Presentation</b></p>	<p>Students will work in groups on a project that will be assigned mid-semester and presented to the class at semester end. This project will incorporate tax research, comprehension and analysis, critical thinking, technical writing, creative presentation development and communication skills.</p>
<p><b>Professionalism</b></p>	<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"> <li>• Class attendance</li> <li>• Participating in class discussions</li> <li>• Evidence of preparedness by responding to class questions</li> <li>• Courteous consideration of classmates</li> <li>• Respecting classmates by not distracting others with your laptop, etc.</li> <li>• Turning off all cell-phones and PDAs</li> <li>• Contributing to the learning environment of the classroom</li> </ul>
<p><b>Class Attendance</b></p>	<p>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, class handouts and any material that you miss.</p>
<p><b>Classroom Citizenship</b></p>	<p>Please turn off all cell phones, PDAs and iPods during class. Laptops or Tablets may be used only to take notes and if they are not distracting to others. If I discover them being used for other purposes, you will not be permitted to bring into class for the remainder of the semester.</p>
<p><b>Communication</b></p>	<p>I will communicate important information from time to time via announcements on Blackboard. Please check Blackboard announcements regularly or elect to forward these announcements to your email address.</p>

<p><b>Academic Integrity</b></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 an/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 <a href="http://deanofstudents.utexas.edu/sjs/">http://deanofstudents.utexas.edu/sjs/</a> 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><b>Student Grievance Procedures</b></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 exams are returned to you. 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><b>Drop/Add, Withdrawal or Incomplete policy</b></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><b>Religious Holy Days</b></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><b>Students with disabilities</b></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 throughout semester with notice to class.

DATE	TOPIC	TEXT	PROBLEMS
	<b>Overview of Taxation</b>		
Jan 14	Intro to Taxation; Types of taxes, taxing jurisdictions	Ch 1	Ch 1 Qu 4,7,10,13 AP 7, TPC 1
Jan 16	Tax policy; standards for a good tax	Ch 2	Ch 2 Qu 3,7,14 AP 3, TPC
Jan 21	Martin Luther King Holiday		
Jan 23	Taxes and cash flows; use of NPV in tax transactions	Ch 3	Ch 3 Qu 3,5 AP 3, TPC 1,2
Jan 28	Fundamentals of income tax planning	Ch 4	Ch 4 Qu 1,6,14 AP 3,4,14 TPC 4
	<b>Taxation of Property Transactions</b>		
Jan 30	Acquisition of property; capitalized vs. expensed costs	Ch 7	Qu 8,13,16 AP 4,5 TPC 1,2
Feb 4	Cost recovery of capitalized assets	Ch 7	
Feb 6	Asset dispositions	Ch 8	Qu 11 AP 1,6,7,13,20,32,35,44
Feb 11	Capital vs. ordinary character of gain/loss	Ch 8	
Feb 13	Nontaxable exchanges	Ch 9	Qu 7,10,15 AP 1,6,12,18,26,
Feb 18	Exam 1 (6:00-8:30pm) Chapters 1-4,7-9		
	<b>Taxation of Individuals</b>		
Feb 20	Individual taxable income	Ch 14	Qu 5,15 AP 6,15,29 TPC 1
Feb 25	Computing individual tax liability	Ch 14	
Feb 27	Compensation; fringe benefits; stock options	Ch 15	Ch 15 Qu 5,9,11 AP 3,5,11,12,24
Mar 4	Retirement planning	Ch 15	
Mar 6	Taxation of financial assets	Ch 16	Qu 1 AP 2,16,20,27,30,31,34 AP 36,38
Mar 11	Spring Break		
Mar 13	Spring Break		
Mar 18	Real estate; passive activities; transfer tax system	Ch 16	
Mar 20	Personal activities-income and deductions	Ch 17	Qu 5,9 AP 2,4,5,16,28,

<b>Mar 25</b>	Personal expenses with tax significance	Ch 17	
<b>Mar 27</b>	Exam 2 (6:00-8:30pm) Chaps 14-17		Income tax returns due Mar 29
	<b>Taxation of Business Entities</b>		
<b>April 1</b>	Taxable income from business operations	Ch 6	Qu 9,12,13 AP 3,5,6,10,30,32,33
<b>April 3</b>	Book vs. tax accounting	Ch 6	
<b>April 8</b>	Sole proprietorships; employment taxes	Ch 10	Qu 8,9 AP 7,13,14,20,23,24
<b>April 10</b>	Flow-through entities	Ch 10	
<b>April 15</b>	Corporate taxable income and corporate tax liability	Ch 11	AP 3,4,6,12,19, TPC 2
<b>April 17</b>	Choice of business entity	Ch 12	Qu 3,11 AP 5,11
<b>April 22</b>	Multi-state and international tax issues	Ch 13	Qu 2,3,11 AP 2,7,8,19,24
<b>April 24</b>	Group projects		
<b>April 29</b>	Group projects		
<b>May 1</b>	Group projects		
<b>TBD</b>	Final Exam Chaps 6, 10-13		