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ACCT 341, Section 102
Advanced Studies in Taxation
Spring Semester 2014, TTh 11:30 A.M. – 12:45 P.M., Room CLC-521
Course Syllabus

Catalog Description

This course provides a thorough exposure to the Federal income tax concepts and planning principles applicable to business entities, trusts, and estates and to Federal transfer taxes.

Outcome: Students will be able to demonstrate a basic core of technical knowledge concerning the Federal income tax as it applies to business entities and to Federal gift, estate, and generation skipping transfer taxes, an enhanced understanding of the conceptual and tax policy issues that underlie tax legislation, and enhanced skills in tax compliance, tax research, and tax planning.

Course Overview

Advanced Studies in Taxation examines key Federal income tax rules and tax planning opportunities associated with various business entities and provides an overview of the Federal transfer tax system. Students are exposed to these areas through extensive reading and written assignments for class sessions, tax return and tax research projects, lectures, and class discussions.

Course Objectives and Learning Outcomes

The key objective/outcome of the course is to provide students with:

- (1) A basic core of technical knowledge concerning the Federal income tax as it applies to entities and the Federal transfer tax. Although the course is not directed exclusively to the CPA exam, the nature of the course ensures that students are well-prepared for the non-individual tax portion of the exam.
- (2) An enhanced understanding of the conceptual and tax policy issues that underlie tax legislation. Many parts of the tax code, although seemingly unrelated, share an underlying theoretical structure. A working knowledge of this structure increases your understanding of the current tax law and places you in the position to understand and explain future tax law changes. This class builds upon the knowledge you developed in ACCT 328.
- (3) Additional exposure to tax compliance, tax research, and tax planning. Tax compliance skills will be further developed through the use of two tax return projects. Tax research skills will be enhanced through the preparation of a tax research project. Tax planning is integrated throughout the course through reading and written assignments.

Additional Course Information

Required Materials (1) Hoffman, Raabe, Smith, Maloney, & Young, *South-Western Federal Taxation: Corporations, Partnerships, Estates & Trusts* (South-Western/Cengage Learning, 2014 Edition)

(2) Thomson Reuters Checkpoint (Checkpoint) Online Tax Research Database, Student Edition (purchase of the hard cover or loose-leaf versions of the textbook includes user ID and password for six months of free access)

Very Important: If you took ACCT 328 at Loyola in the fall 2013 semester (but not any other semester) and retained (1) the user ID and password for Checkpoint from the text and (2) the 2012 version of H&R Block tax preparation software, then you could purchase a used version of the 341 text, but be sure that it is the 2014 (not 2013) Edition and the correct ISBN (as listed at the end of this paragraph). If so, ignore the following and (3) below. If not, then you will be required to purchase a new text. There is a page in the text (toward the front of the hard cover version, toward the back of the loose leaf version) labeled "CHECKPOINT" at the top. It contains a box at the bottom labeled "IMPORTANT INFORMATION" that provides your user ID and password. (Depending on the version, you may need to scratch off the coating with a coin or other hard object to find the user ID and password.) If the page is missing or if the label in the box has already been scratched off, you either do not have a new text or it is the wrong version. Return it and purchase a new version of the correct text: ISBN-1285424484 for the hard copy version or ISBN-1285180631 for the loose-leaf version.

If in lieu of the hard cover or loose leaf versions, you rented the e-book version of the text, ISBN-1285707567, you must separately purchase the Tax Media Pack, ISBN-9781285180946, which contains the Checkpoint user ID and password and the tax preparation software noted in (3) immediately below.]

(3) H&R Block At Home Premium & Business CD – Filing Edition for the 2012 Tax Year (bound into the text in both the hard cover and loose-leaf versions; included in the separately purchased Tax Media Pack if going the e-book route)

Note: (1) – (3) above are available through numerous sources, including the University Bookstore and various on-line retailers.

(4) 341 Course Material Packet – This is a packet of supplementary readings and other materials that I have compiled over the years. It is a crucial part of the course and should be purchased such that you have it available for the first class session. It should be available for purchase through the University Bookstore just before or at the start of classes. Do not purchase a used one as I made numerous changes to the packet just for the spring 2014 semester. The approximate cost is \$20.

Prerequisite Sophomore standing and a minimum grade of "C-" in ACCT 328. Failure to meet these prerequisites may result in administrative removal from the course.

Grading Criteria Your final grade will be determined based on 450 total points, broken down as follows:

Tax Return Projects: I	25
II	25
Tax Research Project	50
Exams: Mid-Term I	100
Mid-Term II	100
Final	150

The total points needed to guarantee a specific grade are as follows: A = 414 (92%); A- = 405 (90%); B+ = 396 (88%); B = 369 (82%); B- = 360 (80%); C+ = 351 (78%); C = 324 (72%); C- = 315 (70%); D+ = 306 (68%) and D = 279 (62%). The last day to withdraw with Dean's permission with a non-penalty grade of "W" is Monday, March 24, 2014 by 5:00 p.m. After this date, the penalty grade of "WF" will be assigned.

Very Important: Consistent with University policy, no student can be given the opportunity to change a grade unless that opportunity is extended to the entire class, something that I will not do. As such, I cannot change a grade through re-testing, alternative testing, extra credit projects, or other similar means. Thus, the grade you earn will be based on the above: nothing more, nothing less.

- Homework** Tentative reading and written assignments for the semester are indicated on the following pages. The written assignments are a key learning device for this course and will be used extensively as a basis for class discussion. Homework preparation will allow you to gain practice in applying the tax law to specific facts situations, refine your analytical skills, and develop confidence in your understanding of the conceptual framework of Federal income and transfer taxation. To this end, you should estimate three hours of out-of-class preparation for every one hour in class, minimally. Such preparation is necessary if you expect to learn the material in this course well enough for practice, CPA exam, and/or grading purposes.
- Tax Return Projects** To help you integrate the course materials and to give you practice at preparing Federal tax returns, you will be required to complete two group-prepared tax return projects. Together, the projects constitute 11.11% of your final grade. Tentative posting and due dates are indicated on the following pages.
- Research Project** To build upon the tax research skills you developed in ACCT 328, you will be required to complete a group-prepared tax research project. The project constitutes 11.11% of your final grade. The tentative posting and due date are indicated on the following pages.
- Exams** There will be two mid-term exams each worth 100 points (22.22% of your final grade each) and a final exam worth 150 points (33⅓% of your final grade). Tentative dates are indicated on the following pages.
- Make-Up Exams** The Quinlan School's general policy on makeup exams is as follows: "Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe [that] examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged**. Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician's note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. Limited assistance in proctoring make-up exams may be available through a designated Quinlan administrative assistant. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus."

Individual faculty members are permitted to establish more specific make-up exam policies. My policy is that no makeup exams will be given unless (1) you (or a representative, such as a parent, guardian, etc.) notify me in advance of the scheduled exam, and (2) the reason for your not taking the exam on time is legitimate and documented in writing. **A personal conversation with me before the exam constitutes notification in advance of the exam. Messages left in any other fashion (e.g., voicemail, e-mail) do not constitute notification.** I have sole discretion in determining the legitimacy of the reason. An exam taken late (even if due to illness) will receive a 10% penalty! In no event will an exam be given after it has been returned to the class. In these cases, an exam score of zero will be assigned.

- Attendance Policy** The Quinlan School's class attendance policy is as follows: "Class attendance and participation are fundamental parts of an excellent education and, thus, attendance for all classes, for the full meeting period of the class, is expected of all students. Faculty may set participation policies unique to their classes and use class participation as a component of the final grade. The student is responsible for any assignments or requirements missed during an absence."

Although I do not take a formal roll, consistent with the Quinlan School's policy, you should make every effort to attend each class session. The correlation between attendance and success in the course is very high. Among other things, missing class results in incomplete notes, which is problematic because occasionally I present concepts not specifically discussed in the text or from a uniquely different perspective. If you must miss class, get notes from a classmate and check with me to determine whether you missed any handouts during my office hours. Prior notice to me of an absence is not required, although appreciated.

Classroom Etiquette	<p>I believe that a college course should not only teach the requisite technical knowledge that you need to succeed in a profession, but also interpersonal skills. As such, I expect you to show respect for your fellow students and me by exhibiting a professional approach and demeanor in the classroom. To this end, you must adhere to the following classroom etiquette rules:</p> <p>Arrive to class on time.</p> <p>Use of mobile phones for any purpose, including text messaging, is prohibited. If you do bring a <u>mobile phone</u> to class, please <u>be sure that it is turned off and out-of-sight</u>. The only exception to this prohibition is if you are using the phone to record class. In this case, you must get my permission and, if granted, the phone must be placed on the desk-top, not in your hands.</p> <p>You are free to use a <u>lap-top</u> for taking notes during class. However, you are not allowed to use it for any other purpose. Also, to avoid distracting fellow students, you must <u>sit in the last class row</u> when using your lap-top <u>unless you get permission from me</u> to do otherwise.</p> <p>Bring your text (or text chapter(s) if using the loose-leaf edition) and CM packet to each class session.</p> <p>Be actively engaged in the class session by taking notes, asking questions, and answering questions.</p> <p>Refrain from talking when someone else “has the floor” or during my lectures. Talking is distracting to your fellow students and me.</p> <p><u>Do not sleep or put your head down on the desk during class sessions</u>. I work hard in preparing and delivering the class sessions and, minimally, expect respect for that effort. If you are too tired or distracted to be attentive, your time would be better spent in addressing the underlying issue(s).</p> <p>Violations will be handled consistent with the University Student Conduct Policy. Specifically, I reserve the right to remove you from the classroom, designate where you sit therein, or ban you from attending class sessions.</p>
Course Commitment	<p>The study of the Federal tax law is rewarding, but very demanding. Because the concepts and rules are often complex, and at times build on each other, it is important that you be prepared for each class. When prepared, you can contribute to both your learning and learning by the entire class. <u>Although I do not assign a specific portion of the course grade to class preparation, I reserve the right to increase the grade of a student who regularly demonstrates a high level of class preparation.</u></p>
Messages	<p>During the course of the semester, I will communicate various information to the class using the Sakai Learning Management System (Sakai) and/or Loyola e-mail addresses. You are deemed to receive any messages that I send upon transmission, so be sure to check for messages frequently.</p> <p><u>If you send an e-mail message to me, be sure to put the course number (e.g., 341) in the subject</u> so that I know that it is not spam. Be aware that <u>I generally check my e-mail account on Mondays through Fridays only</u>. Also, periodically, I may be unable to access my e-mail account because a server is down or because I am at an out-of-town conference. In the latter case, I will try to forewarn you of my absence.</p>
Sakai	<p>In addition to posting announcements, I use Sakai in multiple other ways. For example, to minimize the “paper shuffle,” I will post many course documents to Sakai in lieu of (or in small number of cases, in addition to) distributing them in hard copy format in class. This includes handout problems, the tax research project, the tax return projects, and sample old mid-term exams. So, <u>be sure to check Sakai frequently</u>.</p>
Academic Integrity	<p>The Quinlan School’s policy on academic integrity is as follows: “All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood...Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.”</p> <p>For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website: http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf.</p>
SWFT Web Site	<p>The textbook is supported with a web site with a variety of student resources (see text Preface p. xiii for information). The site is located at www.cengagebrain.com. Select the textbook for this course to access the student resources pages.</p>

Syllabus I reserve the right to modify the content of this syllabus. You are responsible for any modifications announced in class or otherwise communicated (e.g., Sakai or e-mail).

Personal Philosophy Like ACCT 328, this is a very challenging course. The subject matter is complex and the workload is substantial. My goal is to assist you in going from your current level of understanding of the tax law, whatever that might be, to the level of the CPA exam, minimally. I view myself as a learning facilitator, creating the necessary environment for you to succeed. To do so, you must take control of the learning process and make a significant commitment in terms of time and energy. To assist your efforts, I have prepared a document, “Keys to Success,” that I strongly encourage you to read. It will be distributed during the first class session and posted under “Course Documents” within Sakai.

Date	Tentative Schedule
01/14 (T)	Introduction to the Course and Comparative Forms of Doing Business
01/16 (Th)	<p>Comparative Forms of Doing Business (continued)</p> <p>Read: pp. 13-2 – 13-14 (to “Conduit versus Entity Treatment”), 2-38 – 2-39 (to “Operating the Corporation” but skip “Financial Disclosure Insights” box) and CM pp. 2 – 6</p> <p>Do: HP</p> <p>Corporations: Introduction and Operating Rules</p> <p>Read: pp. 2-1 – 2-10 (to “Accounting Methods”) and CM pp. 7 – 12</p> <p>Do: HP1, HP2</p>
01/21 (T)	<p>Corporations: Introduction and Operating Rules (continued)</p> <p>Read: pp. 2-10 (from “Accounting Methods”) – 2-13 (to “Passive Losses”), 2-40 (“Timing of Capital Gains and Losses” only), and CM pp. 13 – 17</p> <p>Do: HP3, HP4, HP5, HP6, 45</p>
01/23 (Th)	<p>Corporations: Introduction and Operating Rules (continued)</p> <p>Read: pp. 2-13 (from “Passive Losses”) – 2-14 (to “Property Contributions”), 2-16 (from “Limitations Imposed on . . .”) – 2-20 (to “Organizational Expenditures Deduction”) [skip “Net Operating Losses” on 2-17], 2-39 (from “Operating the Corporation”) – 2-41 (to “Organizational Expenditures”) [skip “Timing of Capital Gains and Losses” and “Net Operating Losses” on 2-40], pp. 3-2 (from “Domestic Production. . .”) – 3-6 (to “Domestic Production. . .”), 3-12 (from “Adjustments in Arriving. . .”) – 3-14 (to “Collateral Problems”) and CM pp. 18 – 19</p> <p>Do: 47, 33¹ (from Chapter 3), HP7, HP8, HP9</p>
01/28 (T)	<p>Corporations: Operating Rules (continued), Tax Computation, and Procedural Matters</p> <p>Read: pp. 2-17 (“Net Operating Losses” only), 2-20 (from “Organizational Expenditures Deduction”) – 2-23 (to “Tax Liability. . .”), 2-24 (from “Procedural Matters”) – 2-37 [2-26 (from “Schedule M-3. . .”) – 2-29 (to “Form 1120 Illustrated”) lightly], 2-40 (“Net Operating Losses” only), 2-41 (from “Organizational Expenditures”) – 2-44 and CM pp. 20 – 21.</p> <p>Do: HP10, HP11, HP12, HP13, 39, HP14, 61²</p>
01/30 (Th)	<p>Consolidated Tax Returns</p> <p>Read: pp. 2-23 (from “Tax Liability”) – 2-24 (to “Procedural Matters”), 8-2 – 8-16 (to “Stock Basis. . .”), 8-17 (from “Computing Consolidated. . .”) – 8-19 (to “Typical Intercompany. . .”) and CM pp. 22 – 24</p> <p>Do: HP1, 6, HP2, 5, HP3 (all from Chapter 8)</p> <p>Corporate AMT</p> <p>Read: pp. 3-16 (from “Alternative Minimum Tax”) – 3-20 (to “Tax Preferences”) and CM pp. 25 – 27 (to “ACE Adjustment Computation”)</p> <p>Do: 46</p>
02/04 (T)	<p>Corporate AMT (continued) and Penalty Taxes</p> <p>Read: pp. 3-20 (from “Tax Preferences”) – 3-28 (to “Personal Holding Company. . .”), 3-30 (from “Alternative Minimum Tax”) – 3-31 and CM pp. 27 (from “ACE Adjustment Computation”) – 29 (to “PHC Requirements”)</p> <p>Do: HP1, HP2, HP3, HP4, HP5, HP6, HP7</p>
02/06 (Th)	<p>Tax Return Project I Posted</p> <p>Penalty Taxes (continued)</p> <p>Read: pp. 3-28 (from “Personal Holding Company. . .”) – 3-29 (to “Tax Planning”) and CM pp. 29 (from “PHC Requirements”) – 30</p> <p>Do: HP8, HP9, HP10</p>
	(The assignment for Th, 02/06, is continued on the next page!)

¹ The “TI” given is taxable income before consideration of the DPAD.

² Although the instructions say to use “Schedule M-1 of Form 1120,” this is optional. The solution that will be distributed in class, based on the Solutions Manual, does not use the schedule.

Date	Tentative Schedule
	<p>Corporations: Organization Read: pp. 4-1 – 4-8 (to “Assumption of. . .”), 4-11 (from “Basis Determination. . .”) – 4-16 (to “Capital Structure. . .”), 4-24 (from “Tax Planning”) – 4-26 and CM pp. 31 – 36 Do: --</p> <p>(Note: Although we first will be going over them in class on T, 02/11, you may wish to consider doing HP1, and HP2(a) – (h) since they relate to the assigned readings for Th, 02/06.)</p>
02/11 (T)	<p>Corporations: Organization (continued) and Capital Structure Read: pp. 4-8 (from “Assumption of. . .”) – 4-11 (to “Basis Determination. . .”), 4-16 (from “Capital Structure”) – 4-17 (to “Debt in. . .”) and CM p. 37 – 38 (to “Capital Structure: Equity v. Debt”) Do: HP1, HP2(a)-(h), HP2(i)-(k), HP3, HP4</p>
02/13 (Th)	<p>Corporations: Capital Structure (continued) Read: pp. 4-17 (from “Debt in. . .”) – 4-19, 4-27 – 4-28 [skip “Investor Losses” on 4-28] and CM p. 38 (from “Capital Structure: Equity v. Debt”) – 39 Do: 19, HP5</p> <p>Corporations: Qualified Dividends, E&P, and Dividend Distributions Read: pp. 5-1 – 5-13 (to “Property Dividends. . .”), 5-20 (from “Tax Planning”) – 5-22 and CM pp. 40 – 44 Do: 8, HP1, HP2, HP3, HP4, HP5</p>
02/18 (T)	Mid-Term Exam I
02/20 (Th)	Tax Research Project Posted
	<p>Corporations: Dividend Distributions (continued) Read: pp. 5-13 (from “Property Dividends. . .”) – 5-20 (to “Tax Planning”), 5-23 (from “Constructive Dividends”) – 5-25 and CM pp. 45 – 49 Do: HP6, HP7, 21³, HP8, HP9, 46 (skip b)</p>
02/25 (T)	<p>Corporations: Redemptions Read: pp. 6-1 – 6-9 (to “Partial Liquidations”) and CM pp. 50 – 54 (to “§ 302(b)(4) Requirements”) Do: HP1, HP2, HP3</p>
02/27 (Th)	Tax Return Project I Due
	<p>Corporations: Redemptions (continued) and Liquidations Read: pp. 6-9 (from “Partial Liquidations”) – 6-11 (to “Redemptions to Pay. . .”), 6-12 – 6-13 (to “Stock Redemptions. . .”) [skip last section labeled “Redemption to pay death taxes” in Concept 6.1 and 2 lines between Concept Summary 6.1 and “Effect on the Corporation. . .” on 6-12], 6-16 (from “Liquidations – In General”) – 6-18 (to “Antistuffing Rules”), 6-22 (from “Liquidations – Effect. . .”) – 6-23 (to “Special Rule. . .”), 6-24 (“Liquidations. . .” only), 6-26 (“Basis of Property Received by the Parent Corporation-The General Rule” only), 6-28 (from “Tax Planning”) – 6-30 (to “Disposing of. . .”) [skip “Figure 6.1” on 6-29], 6-31 (from “Corporate Liquidations”) – 6-32 (to “What If?”) [skip last bullet on 6-31(B) and lone bullet on 6-32(T)] and CM pp. 54 (from “§ 302(b)(4) Requirements”) – 58 Do: HP4, HP5, HP6, HP7</p>
03/04 (T) & 03/06 (Th)	No Class – Spring Semester Break. Enjoy!
03/11 (T)	<p>Corporations: Reorganizations Read: pp. 7-2 – 7-22 (to “Judicial Doctrines”) [skip “Ethic & Equity” on 7-16], 7-23 and CM pp. 59 – 66 Do: --</p>

³ Assume that the FMV of the stock distributed does not exceed the corporation's E&P.

Date	Tentative Schedule
03/13 (Th)	<p>Corporations: Reorganizations (continued) Read: pp. 7-22 (from “Judicial Doctrines”) – 7-27 (through 1st ¶ only of “Ownership Changes”) [skip “Concept Summary 7.4 on 7-23] and CM pp. 67 – 69 Do: HP1-7</p> <p>Partnerships: Formation Read: pp. 10-1 – 10-4 (to “Separately Stated Items”), 10-5 (“Inside and Outside Basis” only), 10-6 (from “Formation of a Partnership. . .”) – 10-10 (to “Gain or Loss. . .”), 10-11 (from “The Big Picture”) – 10-14, 10-15 (“Example 15” only), 10-39 (from “Tax Planning”) – 10-41 (to “Basis Considerations. . .”) and CM pp. 70 – 72 Do: --</p> <p>(Note: Although we first will be going over them in class on T, 03/18, you may wish to consider doing HP1 and HP2 since they relate to the assigned readings for Th, 03/13.)</p>
03/18 (T)	<p>Partnerships: Operations Read: pp. 10-4 (from “Separately Stated Items”) – 10-5 (to “Inside and Outside Basis”), 10-17 (from “Operations of the Partnership”) – 10-22 (to “Partner Allocations. . .”), 10-25 (from “Partner’s Basis”) – 10-27 (to “Basis-Effect. . .”), and CM pp. 73 – 91 Do: HP1, HP2, HP3</p>
03/20 (Th)	<p>Tax Return Project II Posted</p> <p>Partnerships: Operations (continued), Allocations, Guaranteed Payments, Employment Taxes, and Outside Basis v. Capital Account Read: pp. 10-22 (from “Partner Allocations. . .”) – 10-25 (to “Partner’s Basis”), 10-35 (from “Transactions Between. . .”) – 10-39 (to “Tax Planning”), 10-41 (from “Transactions between. . .”) – 10-42 [to “Refocus on the Big Picture”) and CM pp. 92 – 95 (to “Allocating Partnership Liabilities”) Do: 41⁴, 42, HP4, HP5</p>
03/25 (T)	<p>Partnerships: Allocating Partnership Liabilities, Loss Limitations, Taxable Year, and Procedural Matters Read: pp. 10-5 (from “Partnership Reporting”) – 10-6 (to “Formation of a Partnership. . .”), 10-15 – 10-17 (to “Operations of the Partnership”) [skip “Example 15” on 10-15], 10-27 (from “Basis-Effect of. . .”) – 10-35 (“Transactions Between. . .”), 10-41 (“Basis Considerations. . .” and “Partnership Reporting. . .” only), 10-42 (“Refocus on the Big Picture” only), 11-35 (from “Limited Liability Companies”) – 11-37 and CM pp. 95 (from “Allocating Partnership Liabilities”) – 98 Do: HP6, HP7, HP8, 48, HP9, HP10, 17, HP11</p> <p>Partnerships: Proportionate Nonliquidating Distributions Read: pp. 11-2 – 11-8 (to “Proportionate Liquidating Distributions”) and CM pp. 99 – 101 (to “§ 736”) and 103 Do: HP1, HP2</p>
03/27 (Th)	<p>Partnerships: Proportionate Liquidating Distributions, Sale of Partnership Interests, and Normal Equality of Inside and Outside Basis Read: 11-8 – 11-12 (to 4th full ¶ under “Marketable Securities”), 11-14 (from “Disproportionate Distributions”) – 11-15 (lightly), 11-16 – 11-17 (to Example 23), 11-19 (2 ¶s under “Income Payments” only, up to “Example 26”), 11-21 (skip ¶ between “Concept Summary 11.3” and “Sale of a Partnership Interest”) – 11-28 (to “Optional Adjustments to Property Basis”) [skip “The Big Picture” on 11-25 and 11-26 (from “Other Dispositions. . .”) – 11-28 (to “Optional Adjustments. . .”) lightly], 11-38 (“Planning Partnership Distributions” only) and CM pp. 101 (from § 736”) – 102 and 104 – 108 Do: HP3, HP4, HP5, HP6</p>
04/01 (T)	<p>Mid-Term Exam II</p>
04/03 (Th)	<p>Partnerships: Optional Basis Adjustment and Terminations Read: pp. 11-28 (from “Optional Adjustments to Property Basis” – 11-33 (to “Other Issues”) [skip “The Big Picture” on 11-31], and 11-38 (from “Sales and Exchanges. . .”) – 11-39 (to “Payments over Time”) Do: HP7, HP8, 49</p> <p>Subchapter S: Formation, Qualifying for S Status, and Election Read: pp. 12-1 – 12-9 (to “Loss of the Election”), 12-29 (from “Tax Planning”) – 12-30 (to “Preserving the Election”) and CM pp. 109 – 114 Do: HP1, HP2, HP3</p>

⁴ Assume that the LLC is taxed as a partnership pursuant to the check-the-box Regulations.

Date	Tentative Schedule
04/08 (T)	<p>S Corporations: Termination Methods, PII Tax, BIG Tax, Measuring and Reporting Income, Allocations, and Basis Issues</p> <p>Read: pp. 12-9 (from “Loss of the Election”) – 12-14 (to “Tax Treatment of Distributions. . .”), 12-20 (from “Shareholder’s Basis”) – 12-29 (to “Tax Planning”), 12-30 (“Preserving the Election” only), 12-32 (from “Loss Considerations”) – 12-35 (to “Liquidation of an S Corporation”) and CM pp. 115 – 120</p> <p>Do: HP4, 14, HP5, HP6, HP7, HP8, HP9</p>
04/10 (Th)	<p>Tax Return Project II Due</p> <p>S Corporations: Taxable Year, Redemptions and Liquidations, Distributions, and Procedural Matters</p> <p>Read: pp. 12-14 (from “Tax Treatment of Distributions. . .”) – 12-20 (to “Shareholder’s Basis”), 12-30 (from “Planning for the Operation. . .”) – 12-32 (to “Loss Considerations”), 12-34 (from “Liquidation of an S Corporation”) – 12-35 and CM pp. 121 – 123</p> <p>Do: HP10, HP11, HP12, HP13</p> <p>Income Taxation of Trusts and Estates: Overview, Accounting Periods/Methods, and Computing Taxable Income</p> <p>Read: pp. 20-1 – 20-6 (to “Tax Rates . . .”), 20-26 (from “Grantor Trusts”) – 20-27 and CM pp. 124 – 126 (to “Simple Trust Requirements”)</p> <p>Do: HP1, HP2</p>
04/15 (T)	<p>Income Taxation of Trusts and Estates: Taxable Income (continued), and Taxation of Beneficiaries</p> <p>Read: pp. 20-6 (from “Tax Rates . . .”) – 20-26 (to “Grantor Trusts”) [“Income in Respect of a Decedent” on 20-12 – 20-13, “Separate Share Rule” on 20-23, and “Losses in the Termination Year” on 20-25 lightly], 20-28 (from “Tax Planning”) – 20-33 and CM pp. 126 (from “Simple Trust Requirements”) – 130</p> <p>Do: HP3, 25⁵, 33, 34, 30⁶, 31</p> <p>(<u>Note</u>: Although we first will be going over it in class on Th, 04/17, you may wish to consider doing HP4 since it relates to the assigned readings for T, 04/15.)</p>
04/17 (Th)	<p>Income Taxation of Trusts and Estates: Taxation of Beneficiaries (continued) and Procedural Matters</p> <p>Read: pp. 20-28 (“Procedural Matters” only) and CM p. 131</p> <p>Do: HP4</p> <p>Unified Transfer Taxes: Introduction and Federal Gift Tax</p> <p>Read: pp. 18-1 – 18-17 (to “The Federal Estate Tax”), 18-25 (from ¶ immediately before “Example 47”) – 18-26 (to “Powers of Appointment . . .”) and CM pp. 132 – 138</p> <p>Do: HP1</p> <p>(<u>Note</u>: Although we first will be going over them in class on T, 04/22, you may wish to consider doing HP2, HP3, and 42 since they relate to the assigned readings for Th, 04/17.)</p>
04/22 (T)	<p>Federal Gift Tax (continued) and Federal Estate Tax</p> <p>Read: pp. 18-17 (from “The Federal Estate Tax”) – 18-20 (to “Adjustments for Gifts Made. . .”), 18-21 (from “Transfers with a Retained. . .”) – 18-22 (to “Annuities. . .”) and CM pp. 139 – 141 (to “§ 2042: Life Insurance”)</p> <p>Do: HP2, HP3, 42, 43, HP4, HP5</p>
04/24 (Th)	<p>Tax Research Project Due</p> <p>Federal Estate Tax (continued) and GST</p> <p>Read: pp. 18-20 (from “Adjustments for Gifts Made. . .”) – 18-21 (to “Transfers with a Retained. . .”), 18-22 (from “Annuities. . .”) – 18-25 (to ¶ immediately before “Example 47”), 18-26 (from “Powers of Appointment”) – 18-36 (to “Credit for Tax on Prior Transfers”), 18-37 (from “Procedural Matters”) – 18-40 and CM pp. 141 (from “§ 2042: Life Insurance”) – 146</p> <p>Do: HP6, HP7, HP8, HP9, HP10, HP11, HP12, HP13</p>
04/29 (T)	<p>Final Exam (9:00 a.m.)</p>

-SEE OVER-

⁵ In the third trust agreement provision assume that the taxable and tax-exempt interest income is also allocable to income.

⁶ I would prefer if you ignored the request to “[u]se the format of Figure 20.3 to address the following items.” Instead, use the alternative format suggested in the box on CM p. 130.

Syllabus Key:

CM = Course Material Packet

HP = Handout Problem

They Said It . . .

“The most damaging thing you can do to any businessman in America is to keep him in doubt, and to keep him guessing on what our tax policy is.”

—President Lyndon B. Johnson

“The corporate income tax is one of the best examples in American political history of the law of unintended consequences.”

—John Steele Gordon

“My company [i.e., AT&T] fills out 39,000 tax forms a year; that’s one every three and a half minutes.”

—Michael Armstrong

“The only people helped by the death tax are lawyers, accountants, and IRS agents.”

—Rep. Bob Schaffer, R-Colorado

“No other branch of the law [i.e., tax law] touches human activities at so many points. It can never be made simple, but we can try to avoid making it needlessly complex.”

—Robert H. Jackson

“It is time to reawaken this industrial giant, to get government back within its means, and to lighten our punitive tax burden.”

—President Ronald W. Reagan

“Internal Revenue Service: The world’s most successful mail order business.”

—Bob Goddard

“The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the least possible amount of hissing.”

—Jean Baptiste Colbert (attributed)

“Introduce a wise and efficient system of taxation, and life and energy will pervade the country. Without such a system, it will sink into general and fatal paralysis.”

—The Atlantic Magazine