Texas A&M University-Corpus Christi
College of Business
Summer 2012
(As of March 29, 2012. Tentative: subject to change)

Course Number: ACCT 3322.001  Course Name: Federal Income Tax II
Class Time/Location: Online  Instructor: Dr. Valrie Chambers
Office/Contact: 324 OCNR; (361)825-6012; Valrie.chambers@tamucc.edu;
Office Hours: M-R 12-1:30; or by appointment.

Required Materials: Taxation of Business Entities, 2012. Spilker, Ayers, Robinison, Outslay, Worsham, Barrick and Weaver, McGraw Hill. (This book is the second half of the Taxation of Individuals and Business Entities. If you bought that larger book for 2010 or 2011, you do not need to repurchase a text for this course.) Texts may be purchased by chapter on-line. The ConnectPlus modules may also be purchased on-line, and are optional, but recommended.

Prerequisites: ACCT 3321 and Junior standing or above.

Course Description:
Examines additional, more complex topics in business decision-making, tax research and tax planning.

Learning Objectives: By the end of this course, the students will be able to:

- Compare and contrast the tax consequences of conducting business in a pass through entity or in a corporation
- Distinguish the tax consequences of employee compensation strategies, distributions, capital structure, allocations, and other attributes of business entities
- Demonstrate an understanding of income measurement and reporting for corporations and pass through entities through completion of comprehensive tax return problems and determination of income tax expense for U.S. GAAP financial statement purposes
- Determine the tax consequences of formation, operation, and liquidation of the various business entities
- Understand the basic concepts of multijurisdictional and estate taxation and planning

Relationship to Other Coursework:
ACCT 3322 is the second course in taxation in the accounting curriculum. It applies many of the concepts and doctrines of taxation learned in the first course to an advanced study of the taxation of business entities. In addition, the course expands knowledge of the student into the common tax issues and laws relating to the life cycles of businesses: formation, operation, and termination or dissolution. Business tax concepts are related to financial concepts and generally accepted accounting principals. Business tax planning incorporates considerations of individual tax consequences and possible conflicts. The course also includes an international taxation component, a multistate taxation component, and an introduction to gift and estate taxation.

Technology Applications:
Technology Requirements
To prepare your computer for using Blackboard 9.1, go to https://iol.tamucc.edu/techreq.php for computer requirements.
To view flash (.flv) files from sites such as You Tube, download the Flash player at http://get.adobe.com/flashplayer/.

Getting Technical Help
If you are having difficulties accessing course materials from your home computer, first let your instructor know, then contact the IOL Helpdesk at (361)825-2825 or submit a request via email to iol.support@tamucc.edu

Navigating Blackboard 9.1
When you enter Blackboard for the first time, open the “Start Here” section. Hereafter, once you are in the course, read the “Announcements” on the home page. Check this each time you enter your course. You will see a Course Menu on the left of the page. The menu is a list of links that connect to materials and tools associated with the course. Structures vary by course and instructor. Blackboard has several features and tools that your instructor may use for communication and assignments the course. Links to information about how to use these tools include: Bb Help, which contains a complete guide to learning how to use the many tools and features in Blackboard, and Bb Video Tutorials, which links to a page with videos to show you how to do tasks such as submitting an assignment.

Instructional Methodology:
Instructional methods include powerpoint slides, online discussions and chats, video and audio clips and applications.

Performance Evaluation and Grading:
This course is set up to be self-paced and self-directed, with instructor support available by email and on-campus during the current semester. Because the course is self-paced and student-flexible, the student approach to this course is different than many other courses. The student starts by identifying his or her tentative desired grade, and works the lesson plans from there. The grading system is different as well. Let's start there.

This course is the study of taxation of several different types of diverse entities (regular corporations, S corporations, partnerships, tax-exempt entities, and estates and trusts) and also estate and gift tax. These topics are presented in 13 different modules. It is important that CPA candidates know at least a little about the taxation on each type of entity. Therefore, a very short test is provided on the easy material for each of the modules. Each student is expected to master this easy material by getting a 100% on these short, timed tests. However, a student may take these easy tests as often as needed to master the material. If all of the easy material is mastered, the student will earn a "C" in the course.

To earn a "B," the student must have mastered all the easy material (earn a "C"), and do well (score at least 75% on the short, medium tests) on the medium material in 11 (of the 13) modules. In 5 of those modules, there is also hard material. Complete the "B" and "C" tests, and score 50% or more on the hard tests to earn an "A" for the course. As with the other tests, a student may take the hard tests as often as desired toward earning the "A." All tests are multiple choice, 4-choice response.
A student may do all the easy material first, then the medium, then the hard. Under this method, a "C" is earned, and additional work can make the student's grade go up, but not down. Alternatively, a student may structure the studying by topic, perhaps doing the easy material for regular corporations, then the medium material for regular corporations, then the hard material before moving on to partnerships and then S corporations.

There is great flexibility when (and where) students must complete the modules - while the last completed tests scores for a module will be posted immediately, a student's completion of the course can take place as soon as all the required work is done, up to the end of the final exam period posted on S.A.I.L. Recommended homework assignments by chapter will be available in Connect Plus to help you better understand the class material. Also look for additional content on Blackboard.

**Late Work and Make-up Exams:**
Since this course is self-paced, nothing is late until after the assigned final exam time. So, my accepting late work requires assigning an Incomplete for the course. I can do this, but the excuse has to be really good, verifiable and in writing, or alternatively arranged in advance. Good luck.

**Extra Credit:**
Extra credit opportunities arise from time to time, but the amount and frequency of extra-credit is not predictable in advance. Therefore, I would advise consistent class attendance (where extra credit is announced or distributed) and heavy studying to reduce the need for extra credit.

**Oral and Written Content:**
There is no oral content for this class, however we will correspond by email as needed.

**Ethical Perspectives:**
The integrity of our financial and tax systems depends, in part, on the integrity and principled behavior of those who advise clients and report information. This tax course expects students to conduct themselves in compliance with Circular 230, which outlines the expectations of governmental authorities with respect to tax preparers, through mention of certain taxpayer and preparer penalties under the law, and through review of the more common issues encountered and addressed by the American Institute of Certified Public Accountants (AICPA) Statements on Standards of Tax Practice.

**Global Perspectives:**
International issues are addressed directly in a chapter devoted to international tax issues.

**Demographic Diversity Perspectives:**
Current proposals for reforming the U.S. tax system raise interesting questions bout the incidence of taxes, i.e., who ultimately bears the tax burden, and of what and who should be, or should not be, taxed. Class discussions of case studies will incorporate such issues and their policy implications.

**Political, Social, Legal, Regulatory, and Environmental Perspectives:**
Throughout the history of the United States, tax laws have been used to encourage or to discourage certain types of activities or investments. In addition, taxes may ultimately not be born by those on whom the tax is imposed, but may be passed along to others. Case studies and other sources of class
discussion address the social, political, and regulatory agendas advanced by various aspects of the tax law.

**Attendance Policy:**
This is an online course where your work product is measured, and your input is largely not. That is, I recommend you do the work, but believe that your test grades will naturally reward or punish the extent to which you do so.

**Professional Behavior:**
Texas A&M University-Corpus Christi, as an academic community, requires that each individual respect the needs of others to study and learn in a peaceful atmosphere. Under Article III of the Student Code of Conduct, classroom behavior that interferes with either (a) the instructor’s ability to conduct the class or (b) the ability of other students to profit from the instructional program may be considered a breach of the peace and is subject to disciplinary sanction outlined in article VII of the Student Code of Conduct. Students engaging in unacceptable behavior may be instructed to leave the classroom. This prohibition applies to all instructional forums, including classrooms, electronic classrooms, labs, discussion groups, field trips, etc.

**Academic Honesty:**
University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, forgery, or plagiarism. (Plagiarism is the presentation of the work of another as one’s own work.) All assignments and exams are expected to be done independently unless otherwise specifically noted in the instructions.

**Code of Ethics:**
This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at [www.cob.tamucc.edu](http://www.cob.tamucc.edu)) Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

**Disability Statement:**
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in CCH 116.

If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816. **If you have a disability that makes it difficult to read or hear online presentations, please notify me immediately so that alternative course content presentation can be made.**

**Academic Resources:**
- Library resources are accessed by distance students (including print, electronic, and human) through the Mary and Jeff Bell Library website that supports electronic searches of articles, books, journals, course reserves, and databases. It includes information such as Ask a Librarian, research tools, remote access information and
tutorials, information about plagiarism and copyright, and interlibrary loan
(http://rattler.tamucc.edu/distlearn/). The library is a member of TexShare which provides students with a card
that allows them to checkout materials from libraries across Texas. Librarians’ contact information is also on
the website and students are encouraged to contact librarians for assistance.

- **Student Handbook**: you can access the Student Handbook and Code of Conduct at
  [http://falcon.tamucc.edu/~students/handbook.html](http://falcon.tamucc.edu/~students/handbook.html)

- **Study Guides and Strategies**: In order to help you learn successfully, go to [http://www.studygs.net/](http://www.studygs.net/) to view study guides and learning strategies.

- **Center for Academic Achievement (CASA)** - 361-825-5933
  - Tutoring services: [http://casa.tamucc.edu/tutoring.php](http://casa.tamucc.edu/tutoring.php)
  - Writing assistance: [http://casa.tamucc.edu/wc.php](http://casa.tamucc.edu/wc.php)
  - Supplemental instruction: [http://casa.tamucc.edu/si.php](http://casa.tamucc.edu/si.php)

**Dropping This Class:**
Recall that the State of Texas may have stiff penalties if too many classes have been dropped. However,
events can sometimes occur that make dropping a course necessary or wise. Please consult with me
before deciding to drop this course to be sure it is the best thing to do. Should dropping the course be
the best course of action, a student must initiate the process to drop the course by going to the Student
Services Center and filling out a course drop form. Just stopping attendance and participation WILL
NOT automatically result in a student being dropped from the class. **June 22nd, 2012** is the last day to
drop a class with an automatic grade of “W” this term.

**Grade Appeals:**
As stated in University Rule 13.02.99.C2, Student Grade Appeals, a student who believes that he or she
has not been held to appropriate academic standards as outlined in the class syllabus, equitable
evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The
burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a
complaint about a grade is encouraged to first discuss the matter with the instructor. For complete
details, including the responsibilities of the parties involved in the process and the number of days
allowed for completing the steps in the process, see University Rule 13.02.99.C2, Student Grade
Appeals, and University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents
are accessible through [http://www.tamucc.edu/provost/university_rules/index.html](http://www.tamucc.edu/provost/university_rules/index.html). For assistance
and/or guidance in the grade appeal process, students may contact the Office of Student Affairs.

**Summary of Topical Coverage:**

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>HOURS</th>
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<tbody>
<tr>
<td>Entities Overview ..................................</td>
<td>1</td>
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<tr>
<td>C corporations—formation, operation, distributions, reorganization and dissolution ....</td>
<td>16</td>
</tr>
<tr>
<td>Partnerships—formation, operation, dissolution</td>
<td>9</td>
</tr>
<tr>
<td>S corporations—formation, operation, dissolution</td>
<td>4</td>
</tr>
<tr>
<td>Exempt Entities ....................................</td>
<td>2</td>
</tr>
<tr>
<td>Income Taxation of Estates and Trusts ..........</td>
<td>3</td>
</tr>
<tr>
<td>Estate and Gift Tax ................................</td>
<td>6</td>
</tr>
<tr>
<td>State and Local Taxation ..........................</td>
<td>2</td>
</tr>
<tr>
<td>Multi-jurisdictional Taxation ......................</td>
<td>2</td>
</tr>
</tbody>
</table>
Tentative Topical Coverage by Week:

More detailed suggested lesson plans will be posted to Blackboard Content for each desired grade level (C, B, and A). As such, I would not recommend relying on this timetable; rather, stay flexible. In compliance with university policy, here is my best guess as of March 31, 2012:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Chapter, Blue/Red Book</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Entities Overview</td>
<td>1 &amp; 4/15</td>
</tr>
<tr>
<td>1</td>
<td>C corporation – formation</td>
<td>8/19</td>
</tr>
<tr>
<td>1</td>
<td>C corporations—operation and non-liquidating distributions</td>
<td>5 &amp; 7/16 &amp; 18</td>
</tr>
<tr>
<td>2</td>
<td>C corporations—reorganization</td>
<td>8/19</td>
</tr>
<tr>
<td>2</td>
<td>C corporations—liquidations</td>
<td>8/18</td>
</tr>
<tr>
<td>3</td>
<td>Partnerships—formation and operation</td>
<td>9/20</td>
</tr>
<tr>
<td>3</td>
<td>Partnerships—dissolution and distributions</td>
<td>10/21</td>
</tr>
<tr>
<td>4</td>
<td>S corporations—formation, operation, dissolution</td>
<td>11/22</td>
</tr>
<tr>
<td>4</td>
<td>Exempt Entities</td>
<td>(Extra Blackboard material)</td>
</tr>
<tr>
<td>4</td>
<td>Income Taxation of Estates and Trusts</td>
<td>(Extra Blackboard material)</td>
</tr>
<tr>
<td>5</td>
<td>Estate and gift taxation</td>
<td>14/25</td>
</tr>
<tr>
<td>5</td>
<td>State and local taxation</td>
<td>12/23</td>
</tr>
<tr>
<td>5</td>
<td>Multinational taxation</td>
<td>13/24</td>
</tr>
</tbody>
</table>

The “Blue Book” is the Taxation of Business Entities book. Buy this book if you do not have the Tax I text or it has been more than 3 years since you’ve taken Tax I. The “Red Book” is a combination of the Blue Book and Taxation of Individuals by the same authors. The chapters are essentially identical, except for the chapter number.