COURSE SYLLABUS - Spring 2015

This document is subject to change at the discretion of the instructor.

**Course Number/Name:** ACCT 3322.W01 Federal Income Tax II

**Time/Location:** Completely On-line

**Instructor:** Dr. Anita Reed

**Office:** O’Connor Building Room 371

**Phone:** (361) 825-2434

**Office Hours:** Mon & Wed 3:00-6:00pm

Other by appointment

**Prerequisites:** ACCT 3321 and Junior standing or above.

**Warning:** As of August, 1999, the Texas State Board of Public Accountancy will accept only 15 hours of online accounting courses toward the hours you need to sit for the CPA exam

**Required Materials:** *Taxation of Business Entities, 2015 Ed.* by Spilker, Ayers, Robinson, Outslay, Worsham, Barrick and Weaver, McGraw-Hill, packaged with access to Connect Plus (Available through the bookstore). Also available as an e-text. *(This is the second half of the Taxation of Individuals and Business Entities. If you bought the combined book for Tax I you do not need to purchase a text for this course.)* If you do not buy a new text through the bookstore you will also need to purchase access to Connect Plus from McGraw-Hill. The most cost effective way to purchase new materials for this course is to buy the e-text with Connect Plus from McGraw-Hill through the course website:

https://connect.mheducation.com/class/a-reed-spring-2015

If you have any questions about the required materials for this course please email me to discuss.

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

**Learning Objectives:** By the end of this course, the students will be able to:
Compare and contrast the tax consequences of conduction 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

**Technology Applications:** Both Blackboard and Connect Plus will be used for the course. Blackboard will be utilized by the instructor for email communication and grade publication. Connect Plus will be utilized for all digital materials, coursework and testing. The majority of the work for the course will be done utilizing Connect Plus. The course Connect Plus site is located at: [https://Connect.mheducation.com/class/a-reed-spring-2015](https://Connect.mheducation.com/class/a-reed-spring-2015). All instructions for navigating the course will be available on the Connect Plus site.


**Instructional Methodology:** Instructional methodology include Powerpoint slides, LearnSmart modules, online discussions and chats, reading, completing online exercises, problems and tests.

**Performance Evaluation and Grading:** The course is set up to be self-paced and self-directed, with instructor support available by email and on-campus office hours. As a result, the student approach to the course may be different than other courses. The student starts by identifying the tentative desired grade and works the course materials to achieve the desired grade. Here’s how the course works:

The course is the study of taxation of several different types of diverse entities (regular corporations, S corporations, partnerships, tax-exempt entities, estates and trusts) and also estate and gift tax. These topics are covered in 11 modules corresponding to the chapters in the text (for the combined text, chapters 15 through 25; for the business entities only text, chapters 1 through 11). Each module has a selection of easy, medium and hard material to master. The level of mastery determines the student’s grade.

It is important that CPA candidates know at least a little about the taxation of 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 the short, easy, timed tests. The student may take the easy tests as often as needed to master the material. If all of the easy material is mastered (i.e. 100% on each of the 11 easy tests), the student will earn a ‘C’ in the course.

To earn a ‘B’, the student must master all of the easy material (earn a ‘C’) and then score at least 75% on the short, medium, timed tests on the medium difficulty material for each module. The student may take the short, medium, timed tests as often as needed to reach the necessary mastery level.
To earn an ‘A’, the student must first achieve mastery of the ‘C’ and ‘B’ level material and then score at least 60% on the short, hard timed tests. Not all modules have ‘A’ level material. The student may take the short, hard, timed tests as often as needed to reach the necessary mastery level.

All tests are multiple choice, 4-choice response. For problem based questions, the tests are designed so that you will receive the same facts, but different numbers, each time you take the test.

The process for achieving your desired grade is self-directed. A student may do all of the easy material for all modules first, then do the medium work and then the hard material. Under this method, the student would earn a ‘C’ and any additional work would improve the grade, but not lower it. Alternatively, a student may structure their studies by topic, mastering the easy material, then the medium and then the hard material for each module before moving on to a subsequent module. For a grade to be assigned, all of the material for that grade must be completed (for example, to achieve a grade of ‘B’ the student must have 100% mastery of the easy materials for all chapters and 75% mastery of the medium materials for all chapters).

There is great flexibility when (and where) students must complete the modules – while the most recent completed test scores for a module will be posted immediately, a student’s completion of the course can take place as soon as all of the required work is done, up to the end of the final exam period posted on SAIL. For Spring 2015, all work for the course must be completed by midnight on Wednesday, May 13, 2015. No work completed after the deadline will be accepted for grading.

Recommended homework assignments by chapter will be available in Connect Plus to help you better understand the class material. Additional content for each Module will also be posted to Connect Plus.

If you have any questions about how the course functions, please email me to discuss! Don’t wait to start, the sooner you begin the work the sooner you will finish!

Late Work and Make-up Exams: Since the course is self-paced, nothing is late until after the assigned final exam time. As a result, the only way late work can be accepted requires assigning an Incomplete for the course. An incomplete may only be assigned if the student is currently passing at the time of assignment and needs to complete a relatively small amount of work to complete the course. It is my policy to use the Incomplete Process in extremely unusual situations where circumstances beyond a student’s control require additional time to complete the course. If you have unusual circumstances, you will need to be in regular communication with me to discuss your progress. My expectation is that you will complete the required materials within the established timeframe, as a professional would complete their work on a timely basis.

Extra Credit: At this time I have no expectation of assigning any items for extra credit. The course materials are self-paced and grades are self-directed.
Attendance Policy: The class is fully on-line and no classroom attendance is required or expected.

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.

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. Friday, April 10, 2015 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 Grad Appeal Procedures. These documents are accessible through the University Rules Web site at 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.

Oral and Written Content: There is no oral content for this class; however, we will communicate via email as needed.

Global Perspectives: International issues are addressed in a broad way, through an overview of comparative ways of determining income and of collecting tax in the tax systems employed in other major industrial nations.

Ethical Perspectives: The integrity of our financial and tax systems depend, in part, on the integrity and principled behavior of those who advise clients and report information. This tax course addresses these issues through discussion of 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 of Responsibilities in Tax Practice.

Demographic Diversity Perspectives: Current proposals for reforming the U.S. tax system raise interesting questions about 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 borne 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.

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.) In this class, academic misconduct or complicity in an act of academic misconduct on an assignment or test will result in a ‘zero’ for the item and potentially more severe penalty commensurate with the act of academic dishonesty.

I HAVE ZERO TOLERANCE FOR CHEATING OF ANY KIND. IF I DISCOVER YOU ARE CHEATING YOU WILL BE IMMEDIATELY ASSIGNED THE GRADE OF ‘F’ FOR THE COURSE.

American with Disabilities Act Compliance:
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 contact the Disability Services Office at (361) 825-5816 or visit the office in Corpus Christi Hall (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.
Summary of Topical Coverage:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Duration</th>
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<tbody>
<tr>
<td>Entities Overview</td>
<td>1 hrs.</td>
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<tr>
<td>Accounting for Income Taxes</td>
<td>2 hrs.</td>
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<td>C corporations – formation, operation, distributions, reorganization and dissolutions</td>
<td>16 hrs.</td>
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<tr>
<td>Partnerships – formation, operation, distributions, dissolution</td>
<td>9 hrs.</td>
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<tr>
<td>S corporations – formation, operation, distributions, dissolution</td>
<td>8 hrs.</td>
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<tr>
<td>Estate and Gift Tax</td>
<td>5 hrs.</td>
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<tr>
<td>State and Local Taxation</td>
<td>2 hrs.</td>
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<tr>
<td>Multijurisdictional Taxation</td>
<td>2 hrs.</td>
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<tr>
<td>Total</td>
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