

WE 99

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AC 4060 ADVANCED TAX

**SYLLABUS**

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Textbook: West's Federal Taxation-1999 Edition:

**Corporations, Partnerships, Estates and Trusts,**  
Hoffman Raabe Smith & Maloney

Internet and CD ROM (computer lab) access

Summary:

An introduction to the federal income tax structure as it applies to Corporations and Partnerships. The major focus of this course will be upon the conceptual and legal underpinnings of the Internal Revenue Code (IRC).

Course Objectives and Student Responsibilities

To learn and refine methods of reasoning and analysis, and apply these to problems arising in an individual's situation, using the following steps:

- a) Applying the rules of law (IRC) to specific facts, either real-life or hypothetical;
- b) Discerning the range of possible outcomes or results;
- c) Recommending appropriate courses of actions for corporations or partnerships in similar situations; and
- d) Identifying general rules or policies that might be established from the IRC and the facts.

Study methods of statutory analysis and interpretation (of the IRC) and apply them to individual problems.

Understand the basic principles of the IRC that relate to taxable and nontaxable transactions, and learn how to apply these principles to problems that arise in the context of a corporation's, partnership's, shareholder's, or partner's business transactions.

Learn the nature of the IRC, how tax laws are made, and the complex interactions between tax law and social, political, and economic forces.

To explain tax jargon in simple, plain, and yet accurate English so that such terms will be of use to you as a future accountant or business manager.

To develop an increased awareness of legal, governmental, and ethical restraints facing tax planners and business managers.

To raise and discuss issues in regard to actions which may be legal but not ethical or moral.

To increase skills in making decisions which have tax and legal ramifications.

To increase your awareness of when a CPA or legal counsel is necessary or appropriate and how to seek such counsel.

Course Competencies : Upon satisfactory completion of the course the student should be able to:

General : Demonstrate a broad understanding of the Internal Revenue Code--its evolvement and procedures.

Recognize broad principles of tax law relating to how an owner or an entity can plan to legally minimize the taxes that they must currently account for and pay.

Specific:

Understand the operating rules of corporations (general legal rules and basic tax rules) and how to deal with related corporations.

organization and capital structures of corporations.

Understand earnings and profits (E & P) and how E & P effects dividends.

Understand the basic tax and legal rules associated with corporate stock redemptions and corporate liquidations.

Alternative Minimum Tax (AMT) and corporate tax penalties.

Corporate reorganizations.

Understand the basic tax and legal consequences in regards to the formation, operation, distributions, transfers of interest, and liquidations of partnerships.

S corporations, LLP, LLC and other tax planning concepts.

To achieve the above objectives and competencies, students are expected to attend all classes; complete all written and reading assignments as advance class preparation; take an active part in class discussions; organize and participate in a study group (optional); and write out the answers for all assigned problems.

## **Grades**

There will be two (2) essay style problem solving examinations (one midterm and one final] given throughout the **semester**. These exams may be cumulative. This comprehensive nature is to assist the student in discerning the interrelationships among the various tax and legal concepts in the course **THE MAJOR** PART of your grade for this course will be determined by the weighted average of these three examinations.

(If there is any student in this class who has n d or **special** accommodations for test-taking or note-taking, **please** feel free to come and discuss this with me.)

10%	Class participation on problems and eases.
20%	Service learning project or a 15 page research project agreed upon by both the student and the instructor.
35%	Final Examination (see College Final Exam Schedule for specific date and time)
	One Midterm Exam (date to be announced)

**SERVICE LEARNING** is a method by which students learn through active participation in thoughtfully organized service conducted in and meeting the needs of the community. Service learning is integrated into and enhances the curriculum. It includes structured time for reflection and helps to foster civic responsibility. As a pedagogy, service learning emerges from experiential learning theory and encourages active student involvement in the learning process.

For those students who can not afford the time to do an outside service project a 15 page paper on a pertinent tax related issue may be substituted to fulfill this requirement. Topic to be approved by the instructor.

Further, please note that a rule in my class is the primacy of the TEXTBOOK/TAX CODE. If for some odd reason there happens to be a conflict between what I say in the lecture and what is written in the textbook; the textbook will control. This means that the correct answer for the exam will be that which is found in the textbook and not that given in class. Generally, there is no conflict between the lecture and the textbook.

of the instructor immediate arrangements must be personally made by any student that misses an exam, and there must be a showing of good cause before any make-up test will be allowed.

THE POLICY AND REGULATIONS OF CHAMINADE UNIVERSITY ON ACADEMIC DISHONESTY WILL BE STRICTLY ENFORCED IN THIS COURSE.

ATTENDANCE AND PARTICIPATION: Attendance is required and participation is welcomed. If you are absent, you must check with the instructor or a fellow student to learn of any changes in assignments or exam schedules, and you will be responsible for any information provided in the missed class.

The instructor reserves the right to issue an automatic "F" grade to any student that is chronically absent. This will occur if a student neglects to explain to the instructor the reasons for the absences.

EXTRA CREDIT IN THIS CLASS may be negotiated with your instructor.

HOW WILL THE SUBJECT OF TAXATION BE PRESENTED BY YOUR INSTRUCTOR?

Lecture will be the main method: This is where the CONCEPTS of the tax law will be stated for you. However, students will be engaged to participate in class discussions

on a daily basis. At the same time, please remember that, in class, the encouragement and allowance of student views are structured so the learning process is maximized for all students and class discussions are not monopolized or dominated by only a few students. Reading is supplemental to the lecture and advanced preparation of the assigned reading and problems will greatly enhance the student's understanding of the materials presented in the lecture and will be a part of your overall evaluation for this class.

Problems will be used to make the tax laws more meaningful. These problems will be found in your textbook.

There will be times when you may not understand the material being covered in class. If this occurs, please do not be afraid to interrupt the instructor and ask the instructor to repeat or explain the part that you did not understand. If you are not comfortable with interrupting your instructor during the class session, please feel free to see your instructor after class or at the instructor's office. Depending on how you feel about working with others in your class, it may be a good idea to form a study group of three to five of your fellow students to review the subject matter every two weeks or a few days before each examination; you may find that this type of study or support group is a good way to learn from and with one another. You may also find that you study and learn better on your own.

I also encourage the expression of student views in my classes. If you have any suggestions on how to improve the course, even as the course progresses, please feel free to raise those suggestions with me. MAHALO.

A NOTE ON ENGLISH--Whether we like it or not, English is the language of communication in this course. Thus, it is important that correct English Grammar and spelling is used. In our class

discussions, informal or "pigeon" English may be used so long as it is designated and recognized as such. However, on exams, formal and correct English will be expected to be used.

Caveat: ALL DISCUSSIONS AND EXAMPLES IN THIS CLASS ARE TO BE USED FOR ACADEMIC PURPOSES ONLY. THE EXPLANATIONS GIVEN BY YOUR INSTRUCTOR ARE NOT TO BE CONSTRUED AS LEGAL ADVISE. As INDIVIDUAL SITUATIONS ARE UNIQUE, A SOUND LEGAL OPINION WOULD REQUIRE INTENSIVE INVESTIGATION AND RESEARCH. ACCORDINGLY A SOUND LEGAL OPINION CAN NOT BE RENDERED WITHIN THE TIME LIMITATIONS OF A CLASS DISCUSSION. IF YOU HAVE A LEGAL OR TAX PROBLEM, CONSULT AN ATTORNEY OR CERTIFIED PUBLIC ACCOUNTANT (CPA) THAT PRACTICES IN THE AREA OF TAX LAW IN WHICH YOU ARE EXPERIENCING DIFFICULTIES. I WILL BE HAPPY TO REFER YOU AN ATTORNEY OR CPA THAT PRACTICES IN A SPECIFIC AREA SHOULD YOU NEED PERSONAL LEGAL ASSISTANCE.

Introduction---Understanding and working with the federal tax law.

Chapter 1---Problems 46, 47, 48, 49, 50  
Research Problem 6.

Corporations: Introduction, Operating Rules, and Related Corporations.

Chapter 2---Problems 31-35, 36, 38, 44, 46,  
47, 48, 53, 54, 55, 56, 57, 58, 59, 61-63

Corporations: Organization and Capital Structure.

Chapter 3---26, 28, 29, 32, 33, 34, 38, 39,  
45, 46, 48, 50

Corporations: Earnings and Profits and Distributions.

Chapter 4---25, 26, 28, 30, 32, 34, 35, 40,  
42, 44, 45, 46, 47, 48, 50, 51

Corporations: Redemptions and Liquidations.

Chapter 5---34, 35, 39, 41, 42, 43, 45, 46,  
50, 51, 53, 56, 58, 60, 62, 64, 66

Partnerships: Formation, Operation, and Basis.

Chapter 10---14, 15, 17, 18, 19, 20, 22, 25,  
27, 28, 33, 34, 36, 37, 38, 39

Partnerships: Distributions, Transfer of Interests, and Terminations.

Chapter 11---1, 4, 17, 18, 20, 24, 25, 29,  
30, 31, 34, 36, 37, 38, 40

S-Corporations: