

Prez

BU 315: TAX CONCEPTS

FALL 1999
TR 08:00 - 09:20

SYLLABUS

Wayne M. Tanna JD, LL.M.: Instructor

EMAIL: wtanna@chaminade.edu

Office Hours MWF 13:30-16:30
and by appointment

Office: 739-4606
(CHAMINADE X-606)

Textbook: CONCEPTS IN FEDERAL TAXATION: 2000 EDITION,
Murphy, Higgins with turbotax

Summary: An introduction to the federal income tax structure as it applies to the individual taxpayer. 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 individual taxpayers 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 the individual taxpayer's personal and 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:

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

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

Specific:

Understand different types of taxes.

Sources of tax law.

Tax calculation.

Income tax **accounting** vs. Financial accounting.

Income concepts and deduction concepts.

What is income.

Capital gains and losses.

Income exclusions.

Business expenses vs. personal expenses.

Deductions and deductibility.

Limits on mixed use expenses.
Losses and there deductibility.
Tax-shelters.
Income tax entities.
Personal and dependency Exemptions.
Filing status.
For AGI vs. From AGI.
Property *transactions*.
Cost recovery concepts.
Property dispositions.
Nonrecognition (deferred) transactions.
Alternative Minimum Tax (AMT).

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 will be cumulative. This comprehensive nature is to assist the student in discerning the **interrelationships among the various tax and legal concepts** in the course. Your grade for this course will be determined by the weighted average of these *examinations*, class participation and group project/case write-ups, and the Tax Return Project.

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

30*

Class participation individual tax problems and group case write-ups. Class Participation will be on an "expert" system. The mechanics of this system will be explained in the first class session.

35*

Final Examination (see College Final Exam Schedule for specific date and time)

Midterm Exam (date to be announced) *

Further, please note that a rule in my class is the primacy of the TEXTBOOK/IRC. 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.

MAKE-UP EXAMINATIONS will be given only at the option 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 THE 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.

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. Further, advanced preparation will be expected and graded for those students who are to serve as experts at each class session.

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 CPA THAT **PRACTICES -IN A - SPECIFIC AREA_ SHOULD YOU NEED PERSONAL LEGAL ASSISTANCE.**

The sequence that the subject matter will be covered will be distributed later.

MIDTERM To Be Announced

FINAL See schedule of courses for the time for this class period.

August 31, 1999

Dear Student,

Teaching classes in accounting & law is my vocation. **Both** accounting & law and my students are important to me. I **work** hard at teaching and expect my students to work hard at learning. I am a professor, an attorney, a tax and business consultant, an author, and a financial planner.

My office phone number is 739--606 (Chaminade). Please use these number if you wish to reach me or if you have problems with the homework.

It is your responsibility to learn the **material**. It is **my** responsibility to make the learning process as productive as possible. If you miss a class, check the course **outline to determine what you must** do, **read the material** in the text, do the **homework**, and call if you need help.

Tests are like job interviews scheduled weeks in advance: treat them as such. Do not **miss** a test. If you do miss a test, be sure that I know about it as soon as you do or I will have to **assume** that you are no longer interested **in** passing this class.

Being a student is not an easy job. It is work. Plan time to attend class, as well as time to work on the material outside of class. If I can be of help, call me or see me in my office or just after class.

I have one **additional** thought for you as we start this semester: If you have something to do, in the now immortal words of Nike **"JUST DO IT"**, if not, relax and have some fun.

HAVE A GOOD SEMESTER.

Very truly yours,

Wayne, your instructor

P.S. I have a teaching assistant that usually accompanies me to class. His name is R.P. Orange, **the** Reasonably Prudent (a **term** of great legal significance) Orangutan. You may have previously seen or heard of him. In reality, he is a stuffed animal. **However**, it is what he stands for that is **important**. There are three things that he is in class to promote: First, there is more to life than what is in any single class or classroom (priorities); Second, grades are not everything (it is what you learn or the knowledge that is gained that really matters); and Third, if you need a hug or something to make you take yourself (this instructor included) less seriously, R.P. Orange is there for you.

Now, write a letter to me, Wayne, your instructor, telling me who you are. Tell me of your strengths, weaknesses, fears, and goals. Discuss your world and how your roles in this world might affect your performance in this class. Speak of your *accounting* & business background. Discuss how accounting might play a role in your future.

Tell me what I might do to help you achieve your goals for this class. Include in your letter a statement that you have read and understood the grading for this class and the academic dishonesty policy of the university.