ACCT4441  Fall 2016  ADVANCED FEDERAL INCOME TAX: BUSINESS TAXATION
Wednesday  7:00 – 9:40 pm   SSB #332

Professor: Greg Geisler
Phone: (314) 516-6122  email: geisler@umsl.edu
Office and Hours: T1208 (12th Floor) Tower—next to SSB (Social Sciences and Business Building)
11:05 to 11:35 on Monday and Wednesday; and 4:10 to 5:10 on Wednesday.
I am available to meet other times only by appointment.
Except before a test, I answer emails once per day, Monday through Friday.
Accounting Dept.’s Administrative Assistant, Diane Mongillo, is in T1207, (314) 516-6114, Hours: M–F, 8:30-4:30

Course Description and Objectives
Welcome to this course! The course focuses on the federal income taxation of corporations, S corporations, partnerships, and limited liability companies organized in the United States (i.e., domestic) and their owners. This course is designed for students interested in an accounting career focused in the taxation area.

The learning outcomes in this course include many published in the American Institute of Certified Public Accountants (AICPA’s) Model Tax Curriculum for the 2nd course on Income Taxes which includes:

1. Develop technological skills necessary to undertake tax planning, compliance and research
2. Apply analytical reasoning tools to assess how taxes affect economic decisions for business entities (i.e., partnerships, Subchapters C and S corporations):
   a. through the amount and timing of income recognition and deductions
   b. related to property transactions that generate either recognized or deferred taxable gains/losses
   c. related to the different forms for organizing a business (i.e., partnership, C corp, S corp.)

Grading: Your final grade will be based on your total points in the class. Plus and minus grading will be used. NO extra credit work will be given to any student for any reason. All exams are shorter than the entire class period. The exams range from between 45 – 90 minutes and begin at 7:00 pm. After the exam we will always begin new tax law material that will be on the next exam. The final exam is at the regular class time (7:00 pm).

Total points for the semester are the following:
- Participation and Professionalism  55
- First exam (chapters 1 through 4)  180
- Second exam (chapters 5 and 6)  120
- Third exam (chapter 7)  100
- Fourth exam (chapters 9, 10, and 11)  210
- Fifth exam (chapter 12)  90
- Three Tax Returns (3 × 40 points each =)  120
- Application of tax laws (Homework Outside-of-class)  125
Total  1,000

Almost everything graded in this course is challenging so the average score is rarely high. You earn your grade based on the following point scale:
- 850 points will be the lowest A−. In other words, 849 points is a grade of B+.
- 750 points will be the lowest B−. In other words, 749 points is a grade of C+.
- 650 points will be the lowest C−. Below 650 to 600 is a D. (D+ or D− are not used.) Below 600 is an F.

To check your grade during the semester, go to the column titled “Grade to Date” on MyGateway.
It will provide a percentage of your point total divided by all of the items above that points have been assigned for.
This percentage can be compared to the following: 85% is bottom of the A− range; 75% is the bottom of the B− range; 65% is the bottom of the C− range. 60% to below 65.0% is a D and below 60% is an F.
**Required Materials:**

1) a) McGraw-Hill’s *Taxation of Business Entities 2017* edition written by Spilker et al., & b) access to CONNECT Plus by McGraw-Hill & c) 2015 Business Tax Software (i.e., Corporation = Form 1120, Partnership = Form 1065, and S Corporation = Form 1120S). The software is NOT in any UMSL computer lab. Buy it at UMSL bookstore. The CONNECT Plus access code and the Tax Software are inside the shrink-wrap on the outside of the back cover of the text. The cost is around $350 because it includes all three items (a, b, and c).

To activate CONNECT through MyGateway, follow these directions:

**NOTE:** “Blackboard” (course management software) is called **MyGateway at UMSL**

1. Log on to your MyGateway account.
2. Click the **Courses** tab at the top of the screen.
3. Click the name of this course (i.e., ACCTNG 4441)
4. On the left-hand side of the screen, Click on “Tools,”
   5. Click on the "McGraw-Hill Education" link.
   6. Below "McGraw-Hill Connect", click **Go to My Connect Section**.
   7. Follow the on-screen instructions to register. You will have to enter your CONNECT Plus Registration Code that came with the book you purchased at the bookstore.

Preparing Assignments through CONNECT: Follow steps 1 through 3 above.

Then Click on **Assignments & Solutions**, then click on **Connect problems folder**, then click on the appropriate assignment.

2) **Basic Calculator:** Needed to perform “after-tax cash flow” computations for problems in class, on the out-of-class problems, and on the exams. Bring your calculator to class every day.

3) Required **i>Clicker2:** Every student must buy and bring to every class (after the first class) their own iClicker2. Buy it at the UMSL bookstore. It costs $56. It is the same clicker used in my other Tax courses every semester since 2013. If you still have it, use it. There is no additional activation charge.

Below is more info about iClicker2. I provide instructions on activating your clicker for this course below.

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**Above is a picture of i>clicker2, required for in-class participation and attendance in this course. Purchase it through the UMSL bookstore. Instructions for using i>clicker2 are on the back of the remote.**

**Student Instructions for Registering iCLICKER2 thru MyGateway (course management system) & using in class:**

(NOTE: “Blackboard” is called **MyGateway at UMSL**).
To enroll your i>Clicker2 pad through MyGateway, follow these directions:
1. Log on to your MyGateway account. Don’t use Internet Explorer. Use another web browser like Firefox or Chrome.
2. Click the Courses tab at the top of the screen.
3. Click the name of the course you want to enroll your response pad in (i.e., ACCTNG 4441)
4. On the left-hand side of the screen Click Tools. Scroll down to the bottom.
5. Click on i>clicker Remote Registration
6. Enter the 8-character remote clicker ID (on the back of your iClicker2) into the Remote ID box and click on Submit.

Using the iClicker’s Buttons during class

<table>
<thead>
<tr>
<th>Key</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9</td>
<td>If instructor chooses a numeric question, “123” will be beneath battery power indicator. Tap Up and Down buttons to select numbers and the Left and Right buttons to move between character positions. For example, if you think 34 is the correct answer press the Up bar to get to the “3”; press the Right bar to get to the next position; press the Up bar to get to the “4”; press Send button</td>
</tr>
<tr>
<td>A, B, C, D, E</td>
<td>Tap the button and press Send for multiple choice questions when instructor chooses “ABC.” F, G, H are options only when instructor chooses ABC123.</td>
</tr>
<tr>
<td>Blue button</td>
<td>Refresh. Push to clear your screen or begin a new question.</td>
</tr>
<tr>
<td>Right, Left, Up, Down bar buttons</td>
<td>In the middle of the top of the iClicker (below the LCD screen), these look like a plus sign missing its middle. Right and Left change the placement of the cursor on the LCD screen. Up and Down scroll through different letters or numbers</td>
</tr>
<tr>
<td>Decimal Point (.)</td>
<td>If first number you want is zero and then you Press the Right bar 0. will appear. Other than the first number, a decimal is found after tapping higher than 9 or lower than 0. Ignore “E” and “^”, we will never use them.</td>
</tr>
<tr>
<td>Negative (-)</td>
<td>A negative is only available for the first character. It is found after tapping higher than 9 or lower than 0.</td>
</tr>
</tbody>
</table>

**IMPORTANT INFORMATION BEFORE PURCHASING YOUR i>CLICKER2 somewhere other than UMSL bookstore:**
- It must be the i>clicker2—NOT the original i>clicke. The correct ISBN is 1429280476.
- If you have a technical question, please contact the technical support team at support@iclicker.com from 8AM-10PM CT, M-F or call 866-209-5698.

**Prerequisites:** Completion of Acctng 3441 “Income Tax” course or its equivalent with a “B-” or higher grade. If you took the course at another university, successfully completed means that it was transferred in and accepted by UMSL and your grade was “B-” or higher.

- GPA of at least 2.3 based on ALL of your upper-level (3400s, 4400s, 5400s, and 6400s) accounting courses.
- If you have not met the prerequisites, you will be dropped from the course by the Dean's office. However, by the time this happens it might be too late to register for another class. So, if you want the opportunity to take another class, see an Adviser in the College of Business Dean’s office (SSB #487) or Graduate Business Programs office (University Center #250) about whether or not you meet the prerequisites for this class.
- If your grade in “Income Tax” was not an A, A-, B+, B, or B-, you are not eligible to take this course.
Course Web Site: **PowerPoint** overheads (that include selected notes, examples, and application problems). will be in the **PreClass Notes** section of MyGateway.

Click on File, Print, then under “Print What” choose Handouts, then under “Handouts,” where it says “Slides per page,” choose 2 per page.

Note for students using Internet Explorer browser: A left-click on the file starts a PowerPoint slide show that you cannot print. Instead, either a) right-click on the link to the file and then choosing "save target as" to download the file to your computer. Then open the file in PowerPoint and print it out. OR b) use a different browser (e.g., Firefox, Chrome) and left-click on the file. It will open in a separate PowerPoint program so you can print the file.

**Solutions** will be available (also under **Assignments**) after class the same night that you turn them in.

The “Syllabus” section of MyGateway will contain the syllabus.

**Posting of Grades:** MyGateway’s Grade Center [Click on “Course Tools” then click on “My Grades”] is used to post the number of points you earn on all graded components of the course. Points are updated weekly.

Note: A hypen (-) in the grade book indicates a grade has not been entered yet whereas a zero (0) is a grade.

**Course Withdrawal Policy** (Note: Withdrawal forms are available in SSB #487 or it can be done in MyView):

This course may be dropped in MyView, without faculty approval and without receiving a grade, through the fourth week of classes. Courses dropped during this period will not appear on transcripts. Students with specific academic holds may be required to obtain approval from their advisor to change their schedule. Semester and session calendars posted on the registrar’s website include specific deadline dates for dropping courses. Students who officially drop any of their classes may have fees reassessed and/or refunded based on the current fee reassessment schedule posted on the cashier’s website.

From the 5th week to the end of the 8th week, students may continue to drop courses in MyView without instructor approval. A grade of “EX” (excused) will be issued on the transcript. Refer to the calendar posted on the registrar’s website for summer or winter session withdrawal deadlines.

From the 9th week to the end of the 12th week dropping courses will require instructor approval. Students receiving approval to drop during this period will be issued either an EX, or “EX-F” (excused but failing) if the student was failing at the time of dropping. The EX and EX-F grades will be posted to transcripts, but neither one will be used in calculating the GPA.

Students who wish to withdraw after the end of the 12th week must provide documentation of exigent circumstance and receive both the instructor’s permission and approval of the dean.

- Dropping or withdrawing from a course may adversely impact scholarships, financial aid, and progress toward graduation. Students are strongly urged to discuss these possibilities with the financial aid office and their academic advisors before dropping or withdrawing.
- Students registered in a course in which they fail to meet a minimal level of participation as deemed by the instructor will be issued a grade of “FN” (Failure, Non-participation). The FN grade indicates that the student is not regularly attending class or is making little or no attempts on assignments or activities and may be violating the terms of financial assistance. This grade is equivalent to an F for GPA calculations.

**Professionalism & Participation:**

Students are expected to attend all classes. If you are going to be absent, late arriving, or early departing you must let me know beforehand. Avoid having any side conversations with classmates (these make it difficult for your classmates to actively listen) during class. Turn your cell phone ringer off before class.

Any student who is ill with symptoms of *influenza* is discouraged from attending class.

Do not return to class until you are well. If homework is not turned in, those points are lost.

Graded work with higher point value than a homework (e.g., exam) will be rescheduled only if a Doctor's signed note is emailed to instructor during the day of the originally Scheduled exam or due date.
The instructor reserves the right to negatively adjust (by a maximum of \(-5\)) the total number of points earned by a student for the course based on unprofessional behavior—determined solely by the instructor.

Participation is specifically graded by successfully using your iClicker in class. Other than the 1st class of the semester, you will receive 3 points if you successfully use your iClicker in class, participate, and act professionally. If you are in class BUT do not successfully use your iClicker you receive 0 points. Class participation is automatically posted to the Grade Center. Do not tell me or send me an email stating you were in class and asking if you can get 3 points. Instead, bring your iClicker to every class!
- Professionalism will be posted to the Grade Center in MyGateway after the semester.

The rationale for grading professionalism and participation is to make you aware of how your actions can either positively or negatively impact the learning experience for the entire class.

**Exams**
- There will be 5 examinations during the semester.
- All exams are “closed book and closed notes.”
- Most exam will have one or more attachments (e.g., Corporate tax rate schedule, Sale of Section 1231 Property and Netting Process, etc.). Instructor will inform you of the attachments before the exam.
- A topic list (to help guide your studying) will be passed out to students in class the class before an exam.
- Use a calculator. Calculators may not be shared. If you have a programmable calculator show the instructor that the calculator’s memory is completely empty.
- Students must bring pencils and clean erasers.
- The exams will cover all material that you are responsible for from both inside and outside of class.
- There will be questions on every exam that are from reading and work assigned outside of class that we don’t cover in class because of the limited amount of time we have available in class.

The rationale for the exams is to see if you both know & can apply the tax laws & concepts in the course. There is no additional work available to prepare for an exam.

Exams will be returned at the end of the following class along with your scantron answer sheet and the answer key. WARNING: Your exam, your scantron answer sheet, and the answer key must all be returned to me before you leave class or else you will lose 20% of your grade for each item not returned. So, if you do not turn in these items before you leave class you will lose 60% of your grade!

After returning the exams, I will not discuss adjusting the number of points. If you would like to have the grading reconsidered for a specific question, you must provide a written explanation to me by the end of the class period. I will respond in writing. If you are not satisfied, you may schedule an appointment with me to discuss the grade.

None of the exams are “cumulative”—each exam is on topics covered after the previous exam.

All students must take exams as scheduled. If a student has an acceptable reason for missing an exam (e.g., death in the family, provable illness), the student is responsible for contacting the instructor, AND obtaining permission from the instructor to miss the exam BEFORE it takes place, AND providing the instructor with written documentation from a third party (e.g., from a Doctor) with the reason. Failure to obtain the necessary advance permission is equivalent to an unexcused absence and a grade of zero will be assigned for the student on that exam. If the student receives advance permission, the time and date of the make-up exam will be decided solely at the instructor’s discretion.
Tax Returns

Three separate computer software generated tax returns worth 40 points each will be assigned:

1) Corporation tax return for Blue Catering. Facts begin on Appendix C, page C3—near end of textbook
   - Turn in only the Form 1120 (all 5 pages), Sch. D, Sch. G, Form 1125-E, and any other required attachments.

   - Turn in Form 1065 (all 5 pages) & Sch D & Sch. K-1s (1st page) for BOTH partners

3) S corporation tax return for First Place. Facts begin on page C10.
   - Turn in only the Form 1120S (all 5 pages) & Schedule K-1s (first page) for BOTH shareholders

Each business tax return is worth 40 points. The rationale for the tax returns is the following: a) provide an opportunity to apply the tax laws to a real-life client; b) gain practical experience using tax preparation software; c) apply the business income tax laws; and d) learn how to “follow-up” on a “reviewer’s notes.” The last point simulates you working as a “tax staff” person and your Manager reviews your work then writes what remains for you “to do” to properly complete your work.

- If you want feedback from me on the Form 1120 or 1065 or 1120S, you must turn it in 1 week earlier than it’s due.
  - I will type comments and questions (i.e. “to do” list). I will not tell you what is wrong & how to fix it.
  - Try your best to follow up on the “to do” list I email you. Make appropriate changes to the final return.
  - If you carefully follow-up on my questions and comments, your score will improve.

For Forms 1120, 1065 and 1120S, I also post a tax return (see “Assignments & Solutions” in MyGateway). For Form 1120, it is a full tax return. For Forms 1065 and 1120S, it is a tax return forms problem from the end of Chapters 9 and 11, respectively. This provides examples of a properly completed 1065 and 1120S.

Remember that when completing the tax return, questions should be resolved with “objective evidence” or “primary authority” (e.g., “According to Code Section ___,...”) or “The instructions for line #___ say...,”), not with opinions (i.e., “I think that’s what the law is” or “That’s what the software did.”)

Use the 2015 TaxACT software package for the business tax returns that comes with your textbook purchased at the UMSL bookstore. (Feel free to use any 2015 federal business tax return software package available to you at work instead of TaxACT.)

Homework Outside of Class

- **Your answers** to assigned problems will be submitted via CONNECT either before the beginning of the following class during the semester or, if we have an exam the following class, your completed homework is due before Monday morning at 9 am (see weekly “Schedule” near end of syllabus for when homework is due Monday morning at 9 am).

- If you complete your problems on time, you automatically receive ZERO points. Because the solutions to the problems in the text are posted on MyGateway the same night that you turn in your answers (and the solutions to the problems you prepared are available via CONNECT the same night), I will not allow any student to ever turn in the solutions late. NO EXCEPTIONS will be made FOR ANY REASON to these policies.

- Other than after Week #14, which is an Excel file and a letter to a client and both should be emailed to Geisler@umsl.edu before class on Dec. 7, all of the homework problems will be done through CONNECT. CONNECT makes doing homework more efficient (because you don’t have to write down or type your answers) and it results in instantaneous grading but it does not tell you which parts of
problems you got correct or incorrect. If you want a second attempt after you find out your overall score on a homework, you can get it in CONNECT BUT you must start all of the homework problems over again! No attempts are allowed after your second attempt. Finally, you will not receive detailed feedback from CONNECT until after the due date and time of the homework.

- The number of points for each assignment is listed in Schedule under “In-class Topics/Points” column

- Access to RIA Checkpoint (tax research database) when off-campus is accomplished by going into UMSL Libraries Databases through MyGateway. After logging into MyGateway, click on the LIBRARY tab in the middle and near the top of the screen. Under Databases click on “Subject Listing of Databases,” then click on “Business and Economics,” then click on RIA Checkpoint near the bottom, then click on Search, then checkmark Federal Tax Coordinator 2d, the type in keyword and hit Search.

- Always print out a copy of your CONNECT solutions to compare to the correct solutions you are available through CONNECT when you are studying for an exam. Instead, redo the problems assigned using your textbook and then see their solutions on MyGateway under Assignments & Solutions.

- Every part of each homework is graded. The total points on all homework comprise 125 points (i.e., 12.5%) of your total class grade. The assignment after Week #14 is worth 20 points and it is used as replacement points for incorrect homework answers. If a student gets more than 125 total points on the homework, they will only receive credit for 125 points. The reasons for having the additional 20 point assignment are the following: homework problems are a learning experience and I don’t expect students to get all of them correct; many homework problems are very challenging; if a student forgets to turn their homework in on time (and the grade is “zero”), or they are sick (and the grade is “zero”), or they are unable to prepare the homework on time (and the grade is “zero”). To summarize, the 20 homework replacement points assignment after week #14 provides an opportunity to replace some missed points. By completing the homework problems, you improve your ability to be successful on the exams.

Daily Preparation

As a teacher, I have the following responsibilities:
- Be prepared for every class.
- Create a mutually respectful classroom environment and treat you as responsible adults.
- Help you understand the material after you’ve put in a good effort on your own towards that goal. My responsibility is to provide a process and environment that assists you in acquiring new knowledge. Thus, the class format will be me providing lectures on new material, and you working on applications of the lecture material in class.

As a student, you have the following responsibilities:
- Behave in a professional manner in class.
- Complete all assigned work on time and with proper thought and effort.
- Professionally and conscientiously contribute to any group activities/assignments.
I recommend that you read the material and answer the homework problems AFTER I discuss the material. If you prefer to read it before class, that is also okay. But if you do not consistently give your best effort to answer the assigned homework problems, it is very doubtful that you will get good scores on the exams.

“Hands-on” participation is the richest source of learning. Each individual’s participation is important
in a class such as this one. Everyone is expected to participate fully in solving in-class problems and in answering questions in-class. Consistent with the importance of your effort and participation in each class, part of your course grade is determined on the basis of your participation in each day’s activities.

Returning Your Graded Work (other than Exams): I will usually return graded work at the end of class one week after it is turned in. After returning any graded work, I will not discuss adjusting the number of points. If you would like to have the grading reconsidered for a specific item or question, you must give a written explanation to me by the following class period. I will respond in writing. If you are not satisfied, you may schedule an appointment with me to discuss the grade.

How you can earn the GRADE YOU WANT at the end of the course:

1) Before submitting through CONNECT, print the homework answers you are going to SUBMIT. After class, go to CONNECT and go over every solution, compare it to your answers, and make sure you understand every solution. If you don’t, email me your questions.

2) Next, before next class, give yourself adequate time (typically 3 to 6 hours per 2½ hour class), to review all of the notes from last class, read the assigned pages in the text while highlighting the most important parts, and try your best to answer the assigned homework problems. Tax returns take significant additional time! If you have any questions, email me and include your phone number. If your question relates to understanding an assigned problem or tax return, consider calling me (516-6122) or stopping by my office (Tower #1208) because that might result in a much quicker response from me. Remember, I will not tell you whether your solution is correct or not nor will I tell you whether your approach to solving the problem is “on the right track” or not, but I will assist you in understanding both the facts and what the problem is asking you to do.

Steps 1&2) Don’t believe that you will “figure out” what you don’t understand later when you are studying for a test. Instead, after every class, work with the goal of understanding & being able to properly apply the laws studied.

3) Studying for the 5 tests. Chronologically, read the parts of the text you have highlighted and your notes from class. When you see examples/illustrations/problems, DON’T read them! Instead, cover the answer and read only the facts, then properly apply the law(s) you’ve read to those facts, then see if your answer agrees with the text solution or the answer in the notes or the text. This approach simulates exactly what you will be doing when taking the exam! Follow the same approach on the homework problems that you had been assigned; Read the facts, write you answer on “scratch paper,” then compare your answer to the solutions on MyGateway.

Following the above approach before an exam is the most important time you will spend outside of class during the semester. Notice that the approach above takes a lot of time so budget plenty of time in your schedule. If you are working full-time and taking one or two courses, or if you are working part-time and taking a full course schedule, study steadily each of the 4 days before the exams and for a week before the 4th exam (which is worth the most points). If you are only taking courses (i.e., not employed) this semester, study a lot two days before, one day before, and the day of the exam. But if you have other significant work to do for other classes, start studying more than two days before the exam.

Email me, call me, or stop by to see me when you are studying for an exam and you don’t understand something.

Following the steps above is how you will earn the best grade that you can in the course. You should be proud of your consistent effort during the semester if you follow the steps above.

Course Web Site: Under “Class Notes” on MyGateway will be a file that contains both Notes and Overheads with no answers. Print the file(s) each week and bring to class. You’ll fill in the answers on the overheads and take notes during class.

In “Homework Solutions” folder will be Solutions to homework—posted at 9:45pm the evening you turn homework in.
Posting of Grades: MyGateway’s Grade Book is always used. Homework points are updated approximately once a week.

Note: A hyphen (-) in the grade book indicates a grade has not been entered yet whereas a zero (0) is a grade.

Information about if the UMSL Campus is ever closed due to bad Weather:
When the decision is made to close the campus because of inclement weather, USML uses various procedures to notify the campus community.
- University Relations personnel will notify the following radio and TV stations: KTRS-AM 550, KWMU-FM 90.7, and KMOX-AM 1120, KTVI-Channel 2, KMOV-Channel 4, and KSDK-Channel 5.
- Information Technology Services personnel will place an announcement on the University’s Home Page. In addition, for Day and Evening Closings, Information Technology Services personnel broadcast a message to: the UMSL-wide email list and the STUDENT-wide email list.
- Telephone Services personnel will place an appropriate announcement on the Information Line, 314-516-INFO (314-516-4636), and on the campus general telephone number (314-516-5000).
- Professor Geisler follows the University’s decision.

Disability Policy:
This University abides by Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA) which stipulates that no student shall be denied the benefits of an education solely by reason of a disability. If you have a disability that may have some impact upon your work in this class for which you may require accommodations, please contact the Disability Access Services Office in 144 Millennium Student Center at 516-6554 as soon as possible.

Honor Code and Academic Dishonesty
-Students are expected to demonstrate ethical behavior. Students who raise their GPA by cheating place honest students at a competitive disadvantage in the job market. Unethical individuals are a cost and an embarrassment to the companies that hire them, to their families, and to the university from which they graduate. It is reasonable to assume that individuals who are unethical business students are more likely to become unethical business practitioners. So, I believe our university has an obligation to react swiftly and decisively toward academic dishonesty.

Academic dishonesty is defined in the University Bulletin as “a serious offense which may lead to probation, suspension, or expulsion. One form of academic dishonesty is plagiarism—the use of an author's ideas, statements, or approaches without crediting the source. Academic dishonesty also includes such acts as cheating by copying information from another student's examination or take-home test (or take-home projects).” The Student Conduct Code is at the following address: http://www.umsl.edu/studentlife/dsa/student_planner/policies/conductcode.html

The minimum penalty the instructor will assess for a student involved in academic dishonesty is a grade of 0 points for the assignment and a grade of 0 points out of 60 for “Participation & Professionalism.” Also, the instructor follows the UMSL Academic Dishonesty Guidelines by making an assessment of the student’s work believed to be academically dishonest, then providing such work, along with his assessment, to the Vice-Chancellor for Academic Affairs who will conduct a Disciplinary Hearing with the student and determines disciplinary action. Further, the Vice-Chancellor now has all of the information on the incident in case any other instructor alleges academic dishonesty by that student in the future.

Any instance of academic misconduct will result in no Excused Withdrawal from the course because the Professor will not sign the request.

STUDENT ABSENCE POLICY FOR UNIVERSITY-SANCTIONED ACTIVITIES
Participation in extra-curricular activities is an important component of a student’s university education. The faculty of the University of Missouri-St. Louis values and supports participation in activities such as, but not limited to, intercollegiate athletics, music ensembles, performing arts troupes, field trips, student government, and the like. In this spirit, faculty members are asked to provide students participating in university-sanctioned activities with reasonable accommodations for classes, exams, and quizzes that are missed because of these university-sanctioned activities. It is a student’s responsibility to submit a “Student Absence Form” to his/her instructor identifying the scheduled absences as early as possible during each semester. It is also the student’s responsibility to fulfill the requirements of the missed class work in a timely manner. Students are responsible for the material covered in all
classes, whether or not they are able to attend. When disagreements regarding this policy occur between a student and a faculty member, the issue will be first referred to the faculty member’s department chair, followed by the dean, and finally the Provost, for review and resolution. (Passed by Faculty Senate, March 17, 2009.)

NOTE: This course syllabus provides a general plan for the course; deviations may be necessary by the Professor.
<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>In-class topics (Points / Bonus Points)</th>
<th>Pages to Read and Web sites or Webcasts (before next class)</th>
<th>Assignment: DUE NEXT CLASS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aug 24</td>
<td>Ch 1 “Business Income &amp; Deductions” (7)</td>
<td>Read Ch 1</td>
<td>Ch 1: 60ab, 68abc, 76ace, 82A (Use CONNECT on all in Ch. 1)</td>
</tr>
<tr>
<td>2</td>
<td>Aug 31</td>
<td>Ch 2 “Depreciation and Amortization of Property” (8)</td>
<td>Read Ch 2 (skip p. 37-39 DEPLETION)</td>
<td>Ch 2: 44, 54abd, 70a, 72abc, 76*(b is for Year 1) (Use CONNECT on all Ch. 2)</td>
</tr>
<tr>
<td>3</td>
<td>Sep 7</td>
<td>Ch 3 “Property Dispositions” (8)</td>
<td>Read Ch 3</td>
<td>Begin Form 1120 after tonight’s class: Appendix C, page C-3, Problem #2</td>
</tr>
<tr>
<td>4</td>
<td>Sep 14</td>
<td>Ch 4 “Entities Overview” - (3)</td>
<td><strong>Read Ch. 4 SKIP “Double Taxation” in Ch. 4 which begins on p 8 &amp; ends near top of p. 14</strong></td>
<td>Ch 4: 12 (be specific), 18, 45, 66 (Use CONNECT on all Ch 4) Problems DUE Monday Sep. 19 by 9:00 am</td>
</tr>
<tr>
<td>5</td>
<td>Sep 21</td>
<td>EXAM #1 (Chs. 1–4) 180 points</td>
<td>Exam from 7:00 to 8:25 Class begins at 8:35.  Ch 5 (skip p. 33-40 Corp. Alt. Min. Tax)</td>
<td>Turn in Form 1120 Corp. Income Tax return next class if you want feedback Ch 5: 48, 50, 51d**, 53b, 55a, 73a, 86 (Use CONNECT on all Ch. 5)</td>
</tr>
<tr>
<td>6</td>
<td>Sep 28</td>
<td>Begin Ch 6 “ASC 740: Accounting for Income Taxes” (8)</td>
<td></td>
<td>Ch 6: 18, 38, 44, 49, 52, 54, 55, 72 (Use CONNECT on all Ch. 6) 1120 Tax Return due next class</td>
</tr>
</tbody>
</table>

* - Compute maximum allowable amortization on Start-up costs and Customer list.

** - if you must fill in parts a), b), and c), type the following:

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
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</table>

Pre ASC 718

<table>
<thead>
<tr>
<th>Incentive Stock Options</th>
<th>$0</th>
<th>N/A</th>
<th>N/A</th>
<th>$0</th>
<th>N/A</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonqualified Stock Options</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Under ASC 718

<table>
<thead>
<tr>
<th>Incentive Stock Options</th>
<th>$25,000</th>
<th>Unfavorable</th>
<th>Permanent</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$25,000</td>
</tr>
<tr>
<td>week #</td>
<td>Date</td>
<td>In-class topics (Points / Bonus Points)</td>
<td>Pages to Read and Web sites or Webcasts(before next class)</td>
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<tr>
<td>7</td>
<td>Oct 5</td>
<td>Finish Ch 6 “ASC 740: Accounting for Income Taxes”</td>
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<tr>
<td>8</td>
<td>Oct 12</td>
<td><strong>EXAM #2 on Chs. 5 &amp; 6 (120 points)</strong> Begin Ch 7: “Corporate Taxation: Nonliquidating Distributions (5)**</td>
<td><strong>7:00 - 7:50 pm</strong> Begin class at 8:00 pm Ch 7 p. 1 - 8</td>
</tr>
<tr>
<td>9</td>
<td>Oct 19</td>
<td>Ch 7 (continued): Corporate Taxation: Nonliquidating Distributions Ch. 7 (9) and Ch. 4 (3) Research (4) Go over Partnership tax return problem #1 in textbook in class.</td>
<td><strong>Read Ch 7 pages 8 – 20</strong> <strong>Read in Ch. 4 p. 8 - 14</strong> <em>Research: Do a KEYWORD Search in RIA Checkpoint and find a court case on unreasonably high compensation to the shareholder of a C corporation. Provide the exact cite. Copy &amp; paste the sentences with the following amounts into WORD: Compensation to shareholder that: 1) taxpayer deducted, 2) IRS claims should be allowed, 3) Court decided to allow taxpayer to deduct. (Use CONNECT on all Ch. 7 and Ch. 4) Ch. 7: 4, 34, 35, 37, 47a, 49ab Ch 4: 23, 26, 27 ←Research assignment</em></td>
</tr>
<tr>
<td>week #</td>
<td>Date</td>
<td>In-class topics (Points / Bonus Points)</td>
<td>Pages to Read and Web sites or Webcasts (before next class)</td>
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<td>10</td>
<td>Oct 26</td>
<td>Exam #3 on Ch 7 (100 points)</td>
<td>7:00 pm to 7:45 pm</td>
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<td></td>
<td></td>
<td>Begin Ch 9: Forming and Operating Partnerships (8)</td>
<td>Begin class at 7:55 pm</td>
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<td>Read Ch 9 Skip p. 14 – 16 (SKIP Required Year Ends)</td>
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<td>Turn in Form 1065 TONIGHT if you want feedback</td>
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<td>(You must thoroughly read ch. 9’s “Reporting the Results of P-ship Operations” (p. 17-26). Also, go back to ch. 3 and review tax treatment of dispositions of business and capital assets.)</td>
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<tr>
<td>11</td>
<td>Nov 2</td>
<td>Finish Ch 9: Forming &amp; Operating Prtnships</td>
<td>Read Ch 10 p. 1 - 12 (stop at Liquidating Distributions)</td>
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* - App. C, page C8, Note 5.: $16,099 of ordinary income is reported on line 6 of Form 1065’s 1st page. The $16,099 is from recapture of depreciation (taken on truck that was sold this year and resulted in a recognized gain) and it is NOT included in Net Earnings from Self-employment!
<table>
<thead>
<tr>
<th>week #</th>
<th>Date</th>
<th>In-class topics (Points / Bonus Points)</th>
<th>Pages to Read and Web sites or Webcasts(before next class)</th>
<th>Assignment: DUE NEXT CLASS</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Nov 9</td>
<td>Begin Ch 11: S Corporations</td>
<td>Ignore note 8. You must compute AAA. - On Sch. M-2 of Form 1120-S, assume 1) beginning balances are the following: a) AAA=$297,000; b) OAA=$8,000; c) SUTIPT= $0</td>
<td>Begin Form 1120-S on Appendix C, page C10 (see assumptions at left) Ch. 11: 44, 49ab, 52, 55, 56, 62, (use CONNECT on Ch. 11)</td>
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<td>Ch 11 (12)</td>
<td>Ch 11 read 1-17; 27- 29 (i.e., Exhibit 3)</td>
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<tr>
<td>13</td>
<td>Nov 16</td>
<td>Complete Ch 11 : S Corporations</td>
<td>Ch 11 Read 17 – 24; 30 – 34. Skip p. 24 – 26 (Excess Net Passive Income Tax, LIFO Recapture Tax)</td>
<td>Ch. 11: 59ab, 68cd, 71, 72abc, 74ab, 76a (use CONNECT on Ch. 11) Problems DUE Monday Nov 28 by 9:00 am</td>
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<td>Ch 11 (8)</td>
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<td>14</td>
<td>Nov 30</td>
<td>Exam #4 on Chs. 9, 10, 11 (210 points)</td>
<td>7:00 pm to 9:00 pm You can leave class when you have completed the exam. (email to <a href="mailto:Geisler@umsl.edu">Geisler@umsl.edu</a> completed excel file and brief letter to client file)</td>
<td>1120-S tax return Include Form 1120S (all 5 pages)&amp; 2 Sch. K-1s (1st page)&amp; required attachments Excel assignment on S corp vs. sole proprietor taxes. See Assignments &amp; Solutions on MyGateway</td>
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<td>(20 points for assignment)</td>
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<tr>
<td>15</td>
<td>Dec 7</td>
<td>Ch. 12 State Income Tax (16)</td>
<td>Ch 12 Read 1 – 25 State Taxable Income</td>
<td>Ch 12: 28abefg, 30abef, 33bcde, 35deh, 36c, 37c, 38, 44abd, 46ac, 47ac, 48abcdfig, 49 (Use CONNECT on Ch. 12) Problems DUE Monday Dec 12 by 9:00 am via email</td>
</tr>
<tr>
<td>16</td>
<td>Dec 14</td>
<td>Exam #5 (90 points) on Chapter 12 7:00 pm – 7:50 pm then go to The Ferguson Brewhouse for a beverage!</td>
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</tbody>
</table>
1 Syllabus
   After Tax Cost/Income         Compute the tax cost/savings resulting from an income-generating transaction <income tax deduction>.
   Ch. 1 NPV of After-Tax Cash Flows Compute after-tax cash flows of alternative investments.
   Maxims of Tax Planning       List the 4 variables that interact to determine the tax consequences of a transaction and summarize how these 4 variables are used in tax planning to maximize N.P.V. of After-Tax cash flows. Explain why an income or deduction shift from one entity/time period/jurisdiction to another can improve after tax cash flows.

   Review laws on Business Income and Deductions.

2:  Ch. 2 Apply laws on “Depreciation of Property
     Review laws on amortization deductions

3:  Ch. 3 Determine realized and recognized gain or loss on property disposition
     Determine basis of property acquired in nontaxable exchange and if any realized gain is recognized

4:  Ch. 4 Describe the different types of entities (LLCs, Partnerships, Corporations) for tax purposes
     Explain differences in tax treatment of Pass-Through entities (S corps and P-ships) and C Corporations
     Discuss the legal and nontax characteristics of different types of legal entities

5:  Begin Ch. 5: Describe the corporate income tax formula,
     Discuss tax considerations relating to corporations’ accounting periods and accounting methods
     Identify common book-tax differences, distinguish between permanent and temporary differences, and compute a corporation’s taxable income and regular tax liability
     Describe a corporation’s tax return reporting and estimated tax payment obligations

6&7: Finish Ch. 5.
     Ch. 6: Explain the objectives behind A.S.C. #740 Accounting for Income Taxes, & the income tax provision
           Calculate current & deferred income tax expense or benefit components of a company’s income tax provision
           Recall what a valuation allowance represents and describe the process by which it is determined
           Explain how a company accounts for its uncertain income tax positions under FASB Interpretation No. 48,
           Recognize the different components of a company’s disclosure of its income tax accounts in the financial statements and footnotes and comprehend how a company computes and discloses its “effective tax rate

8  Begin Ch. 7: Explain the tax law framework that applies to property distributions from a corp to a shareholder
     Compute a corporation’s earnings & profits (E&P). Calculate the dividend amount received by a shareholder

9  Finish Ch. 7

10 Ch. 9: Resolve tax issues applicable to partnership formations and other acquisitions of partnership interests, including gain recognition to partners and tax basis for partners and partnerships
        Determine the appropriate accounting methods for partnerships
        Calculate and characterize a partnership’s ordinary business income or loss and its separately stated items, and demonstrate how to report these items to partners

11 Ch. 10: Explain the implications of a partner’s tax basis and the adjustments that affect it
          Apply the basis, at-risk, and passive activity loss limits to losses from partnerships

12 Begin Ch. 11: Describe the requirements and process to elect S corporation status.
Describe operating issues relating to S corporation accounting periods and methods, and explain income and loss allocations and separately stated items. Explain self-employment income and fringe benefit rules that apply to S corporation shareholders. Become aware of Schedule M-3. Explain stock-basis calculations and loss limitations that apply to S corporation shareholders.

13 Finish Ch. 11: Converting from C corporation to S corporation. Explain the events that end the S corp election. Apply the tax rules for S corporation operating distributions and liquidating distributions. Describe the taxes that apply to S corporations and apply the built-in-gains tax rules.

15 Ch. 12 State Sales & Use Tax: Define and distinguish nexus due to physical presence. State Corporate Income Tax: - Distinguish that solicitation of sales does not trigger nexus for state income tax. - Determine state taxable income by computing the three factors assuming differing weights. - Compute state corporate income tax, given the three factors for each state and how they apportion the income among states.

**Terminology, acronyms, abbreviations, etc., used by Professor Geisler:**

_Corp.—_Corporation (one of 3 possible ways to organize a business under state law)

_C corp._—_a corp. that has not made the S election and that files Form 1120 (Corporation Income Tax return)_

_S corp._—_a corp. that has made the S election and that files Form 1120S (S Corporation Income Tax return)_

_SH_—_shareholder. An owner of an interest in a corporation_

_LLC_—_limited liability company_

_Partner—an owner of an interest in a partnership_

_Pship—an organization that has the federal tax status of a partnership and files Form 1065(Partnership Income tax return)_

_Fed—Federal_

_FIT—Federal income tax_

_TI—Taxable income (the base upon which FIT is calculated by using tax rate schedule)_

_SE—Self-Employment_

_FICA—Federal Insurance Contributions Act tax (i.e., “social security” & “medicare” taxes combined are FICA taxes)_

(How does FICA tax compare with SE (Self-Employment) tax?)

_FICA tax is imposed on ERs (employers) and EEs (employees)_

_SE tax is the equivalent of FICA taxes but it is imposed when there is not an ER and EE relationship. Specifically, it is imposed on owners of a business that is not a corporation where such owners either can or do provide services to the business._

_Ind’l—Individual_

_Inc—Income_

_Ded(s)—Deduction(s)_

_Depr—Depreciation_

_LT—Long-term_

_ST—Short-term_

_CG—Capital gain_

_G/L—Gain or Loss_

_ER—Employer_

_EE—Employee_