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. Draw supportable conclusions regarding tax issues by using research skills (including accessing and interpreting sources of authoritative support via online tax research database (“CCH Tax Research”))
3. 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:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation and Professionalism</td>
<td>80</td>
</tr>
<tr>
<td>First exam (chapters 1 through 4)</td>
<td>180</td>
</tr>
<tr>
<td>Second exam (chapters 5 and 6)</td>
<td>120</td>
</tr>
<tr>
<td>Third exam (chapter 7)</td>
<td>100</td>
</tr>
<tr>
<td>Fourth exam (chapters 9, 10, and 11)</td>
<td>210</td>
</tr>
<tr>
<td>Fifth exam (chapter 12)</td>
<td>90</td>
</tr>
<tr>
<td>Three Tax Returns (3 × 40 points each =)</td>
<td>120</td>
</tr>
<tr>
<td>Application of tax laws (Homework Outside-of-class)</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,000</td>
</tr>
</tbody>
</table>

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) McGraw-Hill’s Taxation of Business Entities 2016 edition written by Spilker et al., & b) access to CONNECT Plus by McGraw-Hill & c) 2014 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 (cost around $300) because it includes all three items. The CONNECT Plus access code and the Tax Software are inside the shrink-wrap on the outside of the back cover of the text.

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 "My Connect Section", 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, then click on a CONNECT 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 about $28. 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.

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. <strong>Up and Down scroll through different letters or numbers</strong></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-Clicker. 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 “Documents” 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 hyphen (-) 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):

• By Friday October 2 (which is after the 1st exam is returned) you may obtain an EXCUSED withdrawal from the course regardless of the grade that you have earned.

• From Monday October 5 through Monday November 16, 2015 you may obtain an **excused withdrawal** from the course **ONLY IF you have earned 65% or more of all course points** offered up to the date you wish to withdraw. After all components of the total points in the course through the date I receive your withdrawal form have been graded, I will sign the form and I will mark ‘Failing’ if you have not earned at least 65.0% (and the grade of ‘F’ will be on your official transcript) or I will mark ‘Excused’ if you have earned ≥ 65.0%.

• You can NOT drop the course after **Monday November 16, 2015**.

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 −80) 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 4 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 4 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 exams 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 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
   - 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
Homework

**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.

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**- 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 Form 1065 and Form 1120S, I also post a tax forms problem from the end of Chapters 9 and 11, respectively, to Homework solutions to provide 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 2014 TaxACT **software** package for the business tax returns that comes with your textbook purchased at the UMSL bookstore.

Feel free to use 2014 federal business tax return software package available to you instead of TaxACT.

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**Homework Outside of Class**

- **Your answers** to assigned problems will be collected either at 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).

- Before class, write your answers to the assigned problems **not done in CONNECT** and **turn them in when you walk into class.** Always write or type your name in the upper corner of the first page. **CIRCLE all ANSWERS.** If you **do not** turn your problems in, you automatically receive **ZERO points.** (Also, you will not receive any points if you did the wrong problems.) If you left your problems at home, only one time during the semester will I allow you to email the problems to me as soon as you get home that night after class. So, if you did your problems but forgot to bring them you have this one-time exception to the rule. Otherwise, since solutions to the problems are posted on MyGateway the same night that you turn in your answers, I will not allow any student to ever turn in the solutions late. NO EXCEPTIONS will be made FOR ANY REASON to these policies.

- Typically, between ½ and all of the homework problems for a week 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. However, you will not receive feedback from CONNECT until after the due date and time of the homework.

- **- If the homework is not done through CONNECT,** be sure to show the work that leads to your final answer! Also, **label** amounts. On some homework problems partial credit is awarded but it will not be given unless the amounts are labeled and the work leading to the final answer is shown.

- **- If you will not be at class,** the only way to gain points for problems you have completed (that were not through CONNECT) is to email it to me or slide it under my office door **BEFORE** class is scheduled to begin (see my email address and office address on page 1). Or, you could have one of your classmates turn it in. If you email it, make sure your name is typed in the upper left-hand corner of your answers. **It is your responsibility to make sure I get your answers on time.** Emails that don’t go through, forgetting to turn it in before class time, etc., and all other excuses, automatically receive **ZERO credit.**
- The number of **points** for each assignment is listed in Schedule under “In-class Topics/Points” column.

- **Access to CCH Tax Research (Database called “IntelliTax”) 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 CCH IntelliTax near the bottom, then click on Search CCH IntelliTax.

- Always make a **copy of your solutions** to compare to the correct solutions posted under Assignments at 9:45 pm the same night you turn in your homework.

- **Selected parts of each homework collected will be graded.** (The instructor will not inform anyone of what parts he will select for grading.) The total points on all homework comprise 100 points (i.e., 10%) of your total class grade. There are more than 100 total points assigned for homework (125 to be exact) but if a student gets more than 100 total points on the homework, they will only receive credit for 100 points. The reasons for having more than 100 points 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 **additional points provide an opportunity to replace some missed points.**

By completing the homework problems, you improve your ability to be successful on the exams.

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**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) Save the homework answers you turn in. After class, I will post the solutions to that homework. Go over every solution, compare it to your answers, and make sure you understand every answer. If you don’t, email me.

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 problems from the text. If you have any questions, email me and include your phone number. If your question relates to understanding an assigned problem, 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 75 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.
### ACCT 4441 Advanced Income Taxation: Fall 2015 Wednesday 7:00-9:40 pm SCHEDULE

<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 26</td>
<td>Ch 1 “Business Income &amp; Deductions” (7)</td>
<td>Read Ch 1</td>
<td>Ch 1: 60ab, 68abc, 76ace, 81ad, 82A (ignore e., f., n., o., p., q., r.) (show every answer) (Use CONNECT on 60, 68, 76 in Ch 1)</td>
</tr>
<tr>
<td>2</td>
<td>Sep 2</td>
<td>Ch 2 “Depreciation and Amortization of Property” (8)</td>
<td>Read Ch 2 (skip p. 37-39 DEPLETION)</td>
<td>Ch 2: 43, 53abd, 69a, 71abc, 75ab*(b is for Year 1) (Use CONNECT on all Ch 2 problems except 75)</td>
</tr>
<tr>
<td>3</td>
<td>Sep 9</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 16</td>
<td>Ch 4 “Entities Overview” - (3)</td>
<td>Read Ch 4 SKIP “Double Taxation” in Ch. 4 which begins on p 8 &amp; ends near top of p. 14</td>
<td>Ch 4: 12 (be specific), 18, 45, 66 (NONE of these are on Connect) Problems DUE Monday Sep. 21 by 9:00 am via email</td>
</tr>
<tr>
<td>5</td>
<td>Sep 23</td>
<td>EXAM #1 (Chs. 1–4) 180 points</td>
<td>Exam from 7:00 to 8:25 Class begins at 8:35.</td>
<td>Turn in Form 1120 Corp. Income Tax return next class if you want feedback</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ch 5 “Corporate Operations” (8)</td>
<td>Ch 5 (skip p. 33-40 Corp. Alt. Min. Tax)</td>
<td>Ch 5: 48, 50, 51d, 53b, 55a, 73a (Use CONNECT)</td>
</tr>
<tr>
<td>6</td>
<td>Sep 30</td>
<td>Begin Ch 6 “ASC 740: Accounting for Income Taxes” (9)</td>
<td></td>
<td>Ch 6: 18, 38, 44, 49, 52, 54, 55, 63**, 72 (Use CONNECT except on 18, 63)</td>
</tr>
</tbody>
</table>

* - Compute maximum allowable amortization on Start-up costs and Customer list.  
** - Go to [www.ford.com](http://www.ford.com) Click on the following: "Investors" then "Reports and SEC Filings" then “Annual Reports” then choose “2011.” Read “Valuation of Deferred Tax Assets” under “Management’s Discussion and Analysis of Financial Condition” on pages 74 and 75. Also, Read “Note 22 Income Taxes”.
<table>
<thead>
<tr>
<th>week #</th>
<th>Date</th>
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<th>Pages to Read and Web sites or Webcasts(before next class)</th>
<th>Assignment: DUE NEXT CLASS</th>
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<tbody>
<tr>
<td>7</td>
<td>Oct 7</td>
<td>Finish Ch 6 “ASC 740: Accounting for Income Taxes”</td>
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</tbody>
</table>
| 8     | Oct 14 | EXAM #2 on Chs. 5 & 6 (120 points) | 7:00 - 7:45 pm | Ch. 7: Problems #38, 39, 40 (Use CONNECT on all)  
You can begin Form 1065: App. C, P-ship Problem 2--Note 5 on p. C-9: $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! |
|       |        | Begin Ch 7: “Corporate Taxation: Nonliquidating Distributions (6) | Begin class at 7:55 pm |                             |
|       |        | Ch 7 p. 1 - 8 | 7:00 - 7:45 pm |                             |
| 9     | Oct 21 | Ch 7 (continued): Corporate Taxation: Nonliquidating Distributions | Read Ch 7 pages 8 – 20 | (Use CONNECT except on 4 & 47’s extra question)  
Ch. 7: 4, 34, 35, 37, 47a (answer extra question: “What facts are in the IRS’s favor?”), 49ab  
←Research assignment*  
Ch 4: 23, 26, 27 (NONE of these are on Connect)  
Problems DUE Monday Oct 26 by 9:00 am via email |
|       |        | Research (4) | Read in Ch. 4 p. 8 - 14 |                             |
|       |        | Ch. 7 (9)    | *Research: Do a KEYWORD Search in CCH Intellitax and find a court case on unreasonably high compensation to the shareholder of a C corporation. Provide the exact cite. Print out (or cut&paste) the sentences with the following amounts: Compensation to shareholder that: 1) taxpayer deducted, 2) IRS claims should be allowed, 3) Court decides to allow taxpayer to deduct.  
Problems DUE Monday Oct 26 by 9:00 am via email |
<p>|       |        | Ch. 4 (3)    |                              |                             |
|       |        | Go over Partnership tax return problem #1 in textbook in class. |                              |                             |</p>
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<th>Assignment: DUE NEXT CLASS</th>
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<tr>
<td>10</td>
<td>Oct 28</td>
<td><strong>Exam #3 on Ch 7</strong> (100 points)</td>
<td><strong>7:00 pm to 7:45 pm</strong></td>
<td>Ch. 9: Q7, Q8, P40, P41, P48 (use CONNECT except 7, 8)</td>
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<td></td>
<td></td>
<td><strong>Begin Ch 9: Forming and Operating Partnerships</strong> (8)</td>
<td><strong>Begin class at 7:55 pm</strong></td>
<td>Final 1065* tax return due Include Form 1065 (all 5 pages) &amp; Sch D (1st page) &amp; both Sch. K-1s (1st page) &amp; required attachments</td>
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<td></td>
<td></td>
<td><strong>Read Ch 9 Skip p. 14 – 16 (SKIP Required Year Ends)</strong></td>
<td><strong>Turn in Form 1065 TONIGHT if you want feedback</strong> (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>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Nov 4</td>
<td><strong>Finish Ch 9: Forming &amp; Operating Prtnships</strong></td>
<td><strong>Read Ch 10 p. 1 - 12</strong> (stop at Liquidating Distributions)</td>
<td>Ch. 9: Q23, P58, P70 (use CONNECT except 23)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ch. 10: Basis &amp; Disp. of partnership interest</td>
<td></td>
<td>Ch. 10: Q7, Q8, P32, P33, P35ac, P39, P41 (use CONNECT except 7, 8)</td>
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<tr>
<td></td>
<td></td>
<td>Ch 9 and 10 (16)</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!
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<tr>
<td>12</td>
<td>Nov 11</td>
<td>Begin Ch 11: S Corporations Ch 11 (10)</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 Ch 11 read 1-17; 27- 29 (i.e., Exhibit 3)</td>
<td>Begin Form 1120-S on Appendix C, page C11 (see assumptions at left) Ch. 11: 44, 49ab, 55, 56, 62, 63 (use CONNECT except 63)</td>
</tr>
<tr>
<td>13</td>
<td>Nov 18</td>
<td>Complete Ch 11 : S Corporations Ch 11 (10)</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, 83a (use CONNECT except 83a) Problems DUE Monday Nov 30 by 9:00 am via email</td>
</tr>
<tr>
<td>14</td>
<td>Dec 2</td>
<td>Exam #4 on Chs. 9, 10, 11 (210 points)</td>
<td>7:00 pm to 8:50 pm Begin class at 8:55 pm No reading</td>
<td>1120-S tax return Include Form 1120S (all 5 pages)&amp; 2 Sch. K-1s (1st page)&amp; required attachments</td>
</tr>
<tr>
<td>15</td>
<td>Dec 9</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, 35bdeh, 36c, 37c, 38, 44abd, 46ac, 47ac, 48abcdefg, 49 (Use CONNECT except on 33e) Problems DUE Monday Dec 14 by 9:00 am via email</td>
</tr>
<tr>
<td>16</td>
<td>Dec 16</td>
<td>Exam #5 (90 points) on Chapter 12 7:00 pm – 7:50 pm then go to The Brewhouse for a beverage!</td>
<td></td>
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</tr>
</tbody>
</table>
Week #  Topics Covered in Class / Learning Objectives  

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.

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.

Real property local tax

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
- Calculate 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