

Course #: ACCT 4400-01	Asst. Prof.: Steven M. Day, CPA, MAcc
Course Title: Tax Accounting II - 21916	Office: Room 132, Udvar-Hazy Business Bldg.
Credit Hours: 3 semester hours	Phone: 435-652-7831 / 435-668-0284 (cell)
Meeting time: MW, 7:30 am to 8:45 am	Email: <a href="mailto:day@dixie.edu">day@dixie.edu</a>
Location: Hazy 149	Office Hours: MW 11:00 – 12:00 TR 10:30 – 11:30
Term: Spring 2011	F 8:00 – 9:00, and by appointment

### **REQUIRED MATERIALS:**

Small Business *Quickfinder* Handbook – 2010 Edition – Thomson Reuters. USB Drive with no pre-loaded software.

### **COURSE DESCRIPTION:**

This course examines the concepts and methods of determining the federal tax liability and/or pass-through requirements applicable to C-Corporations, S-Corporations, Partnerships, Limited Liability Companies, and limited exposure to Estates and Trusts. Special attention is given to the application of tax law through the use of leading practitioner research tools and tax preparation software. We are proud that Red Gear Technologies has allowed Dixie State College unlimited use of their highly respected commercial income tax preparation software, “TaxWorks”, for our classroom use. (LA22966) (35077).

**Prerequisites:** ACCT 3400 and advanced standing in the business baccalaureate program.

### **COURSE OBJECTIVES:** *Students successfully completing this course will be able to:*

- (1) Compare the taxation of individuals and corporations. Evaluate corporations as an entity form for conducting a business. Discuss tax rules unique to corporations, and successfully compute corporate income tax.
- (2) Identify tax planning opportunities and consequences of incorporating a business. Understand special rules regarding corporate liabilities, and the tax treatment of shareholder debt and stock losses.
- (3) Compute a corporation’s earnings and profits, and the role they play in determining the tax treatment of distributions. Understand the tax treatment of dividends in various forms; cash, stock, and property.
- (4) Discuss the governing principles and theories of partnership taxation. Determine a partner’s basis, and how liabilities, investments, and distributions affect basis. Calculate partnership taxable income, and how partnership items affect a partner’s income tax return.
- (5) Describe special considerations and situations that can occur in partnership taxation; such as a liquidation, sale or purchase of a partnership interest, family limited partnerships, and LLC’s.
- (6) Understand the S corporation election, the advantages and disadvantages of the election. Calculate the proper allocation of income, deductions, and credits to shareholders. Compute shareholder basis.
- (7) Understand the nature, and operation of the Federal gift and estate taxes. Recognize and describe the components of the gross and taxable estate.
- (8) Identify advantages and challenges that exist in a closely held business. Apply procedures that minimize gift taxes and reduce or avoid estate taxes.
- (9) Complete a variety of business income tax returns using TaxWorks income tax preparation software.

### **HANDBOOK READING:**

Reading the Quickfinder handbook is crucial for understanding the concepts presented in this course. You are required to read the chapters that will be discussed in class **prior** to the class discussions. These class discussions assume that you are well prepared to discuss the topic(s) of the day. You will be randomly called on in class to provide valuable input to the class discussion. **Pop quizzes may be given from time to time to assure that the reading assignments are being completed!**

### **LECTURES/DISCUSSIONS:**

Lectures and discussions will be offered for each chapter assigned in the “Schedule & Assignments” section of the syllabus. The lectures and discussions serve to review the subject matter briefly and to bring real-time application and experience into the class. The goal is to extend the class beyond the reading and into the current profession. **Lectures will evolve into discussions and your participation is required!**

### **CPA EXAM QUESTIONS (Individual Effort):**

Throughout the semester, 50 CPA exam questions will be assigned (in groups of 10) and are listed in the “Schedule & Assignments” section of the syllabus. These multiple choice questions are compiled from actual previous CPA exams. As such, students must use whatever tax research means necessary (in addition to the required handbook) to correctly answer each question. The solutions for each of the CPA exam question assignments must be completed and printed prior to the class period in which the assignment is due. **Late CPA exam question solutions and hand-written solutions will NOT be accepted!**

### **PRACTICE INCOME TAX RETURN ASSIGNMENTS (Team Effort):**

Once you have performed the required reading, and while completing the CPA exam questions, practice income tax returns are an effective means of giving you real-life application skills and preparing you for the upcoming exams. There will be four practice income tax returns assigned throughout the semester. Additional instructions for each income tax return may be provided at the time each case is assigned. All income tax return assignments must be presented using “TaxWorks” income tax return preparation software. Proper format, organization, accuracy, and completeness are all considered during the grading process. **Late practice income tax returns assignments will NOT be accepted!**

### **OTHER INCOME TAX RETURN ASSIGNMENTS (Individual Effort):**

In addition to the four practice income tax return assignments, three more individual effort income tax return assignments are required. Additional instructions for each income tax return may be provided at the time each case is assigned. All income tax return assignments must be presented using “TaxWorks” income tax return preparation software. Proper format, organization, accuracy, and completeness are all considered during the grading process. **Other income tax returns assignments will NOT be accepted late!**

### **PROGRESSIVE TAX RETURN ASSIGNMENTS (Team Effort):**

During the final weeks of the semester, four progressive tax return assignments are required. These assignments are to be completed in teams of two. Additional instructions for each progressive tax return assignment may be provided at the time each case is assigned. All progressive tax return assignments must be presented using “TaxWorks” income tax return preparation software. Proper format, organization, accuracy, and completeness are all considered during the grading process. **Late progressive tax return assignments will NOT be accepted!**

### **EXAMS (Individual Effort):**

Two exams are scheduled during this semester. Portions of each exam will be taken in the classroom on the scheduled date. Students will not be allowed to leave anytime during the exam period. A take-home portion will also be part of the exam process. The in-class portion will be closed book, closed notes and individual effort. The take-home portion will be open book, open notes BUT individual effort. Any form of cheating may result in a Failing grade for the course. **No early or late Exams will be allowed!**

### **PARTICIPATION/PROFESSIONALISM/CLASS ATTENDANCE:**

This is your education. Take ownership of your investment in this class by contributing in a positive manner in class discussions and lectures. Participation shows the instructor your concern for the subject matter and will directly affect your overall grade in this class. Disruptive or disrespectful behavior will cause students to lose all participation points. If a student does not show respect, maturity and professionalism in the classroom environment, he or she will most likely struggle in a post-academic environment. In addition, students who are tardy, inattentive, experience excessive absences, or allow their cell phones to disrupt the class will suffer in this area.

**REQUIRED LABS:**

Required lab periods will be assigned from time to time, and you are expected to participate fully in these required lab periods. You will be expected to show up at each and every scheduled required lab period, show up on time, and be prepared to work on assignments for this class. These required lab periods are valuable to the educational process and each student should recognize and take advantage of these resources while they are available.

**DEFINITION of INDIVIDUAL EFFORT and TEAM EFFORT:**

**Individual Effort:** Students are NOT allowed to consult with any other individual(s), including, but not limited to, other students or teams, *except* the instructor. Students may use any other tax research source, including the handbook, income tax research software, or other printed or web resources, including irs.gov, to complete the *CPA Exam Questions, Other Tax Return Assignments, or the Take-Home Portion of the Exams.* **Not following these rules is considered cheating and may result in a Failing grade for the course!**

**Team Effort:** Students are required to complete these assignments in teams of two. Assignment requirements may NOT be split between team members. The primary purpose of requiring “team effort” assignments is to develop and enhance tax research and return preparation skills while working in a small group environment. Splitting up the assignment requirements will defeat this primary purpose. Students may use any tax research source, including the handbook, income tax research software, or other printed or web resources, including irs.gov, to complete the *Practice Tax Returns or Progressive Tax Return Assignments.* **Not following these rules is considered cheating and may result in a Failing grade for the course!**

**GRADING:**

Grading is not on a curve. Your grade will be based on the scale listed below. **There are NO grade improvement projects available in this class!**

Exams	30%	A	94.5 - 100%	C	73.0 - 76.9%
CPA Exam Questions	10%	A-	90.0 - 94.4%	C-	70.0 - 72.9%
Practice Tax Returns	10%	B+	87.0 - 89.9%	D+	67.0 - 69.9%
Other Tax Returns	15%	B	83.0 - 86.9%	D	63.0 - 66.9%
Progressive Tax Returns	25%	B-	80.0 - 82.9%	D-	60.0 - 62.9%
Participation/Professional./Attend.	<u>10%</u>	C+	77.0 - 79.9%	F	below 60.0%
Total	<u>100%</u>				

**Note: Percentage structure may change slightly at the discretion of the instructor!**

**ACADEMIC INTREGRITY:**

The Accounting profession is well known for a reputation of honesty, integrity, and high ethical standards. As a result, scholastic dishonesty will not be tolerated and will be prosecuted to the fullest extent. Students are expected to have read and understand the current issue of the student handbook (published by Student Services) regarding student responsibilities and rights, and the intellectual property policy, for information and procedures about what constitutes acceptable on-campus behavior (See DSC Policy Links listed below).

**DISABILITY STATEMENT:**

Students with medical, psychological, learning or other disabilities desiring reasonable academic adjustment, accommodations, or auxiliary aids to be successful in this class will need to contact the DISABILITY RESOURCE CENTER Coordinator ( Baako Wahabu) for eligibility determination. Proper documentation of impairment is required in order to receive services or accommodations. DRC is located at the ground floor of the Financial Aid Office. Visit or call 652-7516 to schedule appointment to discuss the process. DRC Coordinator determines eligibility for and authorizes the provision of services.

**Dmail NOTICE:**

You are required to frequently check your dmail account. Important class and college information will be sent to your dmail account, including DSC bills, financial aid/scholarship notices, notices of cancelled classes, reminders of important dates and deadlines, and other information critical to your success at DSC and in your courses. If you do not know how to access your dmail account, go to [www.dixie.edu](http://www.dixie.edu) and click on “Log in to student services”.

**DSC POLICY LINKS:**

Reference to “Policy for Absences Related to College Functions”:

<http://www.dixie.edu/humanres/policy/sec5/523.html>

Disruptive behavior policy / classroom expectations:

<http://www.dixie.edu/humanres/policy/sec3/334.html>

Academic dishonesty / Academic integrity policy:

<http://www.dixie.edu/humanres/policy/sec3/334.html>

**RESOURCES:**

**Available Resources:** Library, Computer Lab, Writing Center, Testing Center, and Tutoring Center statements and links (as appropriate)

Library – <http://library.dixie.edu>

Computer Labs – located in the basement of the library. The Smith Computer Center, and the Hazy Building room 200.

Writing Center – [http://new.dixie.edu/english/dsc\\_writing\\_center.php](http://new.dixie.edu/english/dsc_writing_center.php)

Testing Center – <http://new.dixie.edu/testing>

Tutoring Center – <http://dsc.dixie.edu/tutoring/>

**SEE NEXT PAGE FOR SCHEDULE & ASSIGNMENTS**