

Course #: ACCT 4400-01	Instructor: Steven M. Day, CPA, MAcc
Course Title: Tax Accounting II	Office: Room 132, Udvar-Hazy Business Bldg.
Credit Hours: 3 semester hours	Phone: 435-652-7831 / 435-668-0284 (cell)
Meeting time: MWF, 11:00 to 11:50	Email: day@dixie.edu
Location: Hazy 242	Office Hours: TR 8:00 – 9:00 TR 10:30 – 12:00
Term: Spring 2010	and by appointment

REQUIRED TEXT:

Taxation of Business Entities – 2010 Edition – Smith/Raabe/Maloney

COURSE DESCRIPTION:

This course is designed to expand the accounting major's conceptual and technical income tax knowledge through detailed instruction and application of business entity taxation. We are very excited that "TaxWorks" has allowed Dixie State College the opportunity to use their very highly respected commercial income tax preparation software for our classroom use.

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, property, 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 tax 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.

TEXT READING:

Reading the text is crucial for understanding the concepts presented in this course. You are expected to read the chapters that will be discussed in class prior to the lecture. I present the lectures under the assumption that you have already read the assigned material. **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 expected!**



CPA EXAM QUESTIONS:

Throughout the semester, 60 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 research means necessary (in addition to the text) 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:

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-world application skills and preparing you for the upcoming exams. There will be three practice income tax returns assigned throughout the semester. These assignments may be completed individually or in teams or no more than two. Students may use any resource available to complete these assignments, including other students, teams or the instructor. Additional instructions for each income tax return may be provided at the time each case is assigned. All practice 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!**

INDIVIDUAL EFFORT INCOME TAX RETURN ASSIGNMENTS:

In addition to the three practice income tax return assignments, six more individual effort income tax return assignments are required. These assignments are to be individual effort. Students are not allowed to consult with any other individual(s), including any other student, teams, or the instructor. Students may use any research source to complete these assignments including, the textbook, income tax research software, or other web resources, including irs.gov. Additional instructions for each income tax return may be provided at the time each case is assigned. All individual effort 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 individual effort income tax returns assignments will NOT be accepted!**

EXAMS:

Three exams are scheduled during this semester. It is anticipated that all of the exams will be taken in the classroom on the scheduled date. However, take-home sections of any portion of any exam(s) may be substituted for in-class exams. During the in-class exams, students will not be allowed to leave anytime during the exam period. All in class-exams will be closed-book, closed notes and 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 or experience excessive absences will not receive full credit in this area. Finally, required lab periods may 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.

GRADING:

Grading is not on a curve. Your grade will be based on the percentage of total points you earn. **There are NO grade improvement projects available in this class!**

Exams	300 Points	A	93.0 - 100%	C	73.0 - 76.9%
CPA Exam Questions	60 Points	A-	90.0 - 92.9%	C-	70.0 - 72.9%
Practice Tax Returns/Other Assign.	165 Points	B+	87.0 - 89.9%	D+	67.0 - 69.9%
Ind. Effort Tax Returns	300 Points	B	83.0 - 86.9%	D	63.0 - 66.9%
Participation/Professionalism, etc.	<u>75 Points</u>	B-	80.0 - 82.9%	D-	60.0 - 62.9%
Total Points	900 Points	C+	77.0 - 79.9%	F	below 60.0%

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

ACADEMIC INTEGRITY:

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.

REASONABLE ACCOMMODATION STATEMENT:

If you are a student with a medical, psychological or a learning difference and are requesting reasonable academic accommodations due to this condition, you must provide an official request of accommodation to your professor(s) from the Disability Resource Center within the first two weeks of the beginning of classes. Students are to contact the Center on campus to follow through with and receive assistance in the documentation process to determine the appropriate accommodations related to their condition. You may call 435-652-7516 for an appointment and further information regarding the Americans with Disabilities Act (ADA) of 1990 per Section 504 of the Rehabilitation Act of 1973 (located in the Student Services Center, Room #201 of the Edith Whitehead Building).

Dmail NOTICE:

Important class and college information will be sent to your Dmail email account. This information includes your DSC bill, financial aid/scholarship notices, notification of dropped classes, reminders of important dates and events, and other information critical to your success in this class and at DSC. All DSC students are automatically assigned a Dmail account. If you do not know your user name and password, go to www.dixie.edu and select "Dmail" for complete instructions. You will be held responsible for information sent to your Dmail, so please check it often.

SEE NEXT PAGE FOR SCHEDULE & ASSIGNMENTS

TAX ACCOUNTING II 4400

Schedule & Assignments

Spring 2010

Hazy 242 / 11:00 MWF

Last Revised: January 11, 2010

Date	Discussion Topic in Class	Reading Schedule	Assignment Schedule
<i>January</i>			
Mon. 11th	Introduction to Tax II/TaxWorks Software		
Wed. 13th	<i>Installation of TaxWorks Software-No Formal Class</i>		
Fri. 15th	<i>Installation of TaxWorks Software-No Formal Class</i>		
Mon. 18th	<i>Martin Luther King Jr. Day - No Class</i>		
Wed. 20th	Introduction to Taxation	Chapter 1/Prob.1-5,8,19	CPA Exam Questions 1-10
Fri. 22nd	Introduction to Taxation	Prob.1-9,11,15,31	
Mon. 25th	Comparative Forms of Doing Business	Chapter 15/Prob.15-5,6,7,11,12	Problem 1-19
Wed. 27th	Comparative Forms of Doing Business	Prob.15-22,24,25,26	
Fri. 29th	Comparative Forms of Doing Business	Prob.15-27,29,36,38,41	
<i>February</i>			
Mon. 1st	Business Deductions	Chapter 5/Prob.5-2,5,6,7	CPA Exam Questions 11-20
Wed. 3rd	Business Deductions	Prob.5-10,15,21,24,27,29	
Fri. 5th	Business Deductions	Prob.5-32,33/BD 1,2	
Mon. 8th	Property Transactions	Chapter 7/Prob.7-7,12,13,21	
Wed. 10th	Property Transactions	Prob.7-23,25,29/BD 3	CPA Exam Questions 21-30
Fri. 12th	Exam #1/Chapters 1,15,5,7		
Mon. 15th	<i>President's Day - No Class</i>		
Wed. 17th	C-Corporations/Organizations,Structure,Rules	Chapter 9/Prob.9-7,10	
Fri. 19th	C-Corporations/Organizations,Structure,Rules	Prob.9-34	
Mon. 22nd	C-Corporations/Earnings,Profits,Distributions	Chapter 10/Prob.10-1,4,12	
Wed. 24th	C-Corporations/Earnings,Profits,Distributions	Prob.10-22,33	
Fri. 26th	TaxWorks Instruction	Prob.9-39	CPA Exam Questions 31-40
<i>March</i>			
Mon. 1st	Required Lab-Problem 9-39		
Wed. 3rd	Partnerships & LLC's	Chapter 11/Prob.11-2,3,6,10	Practice Tax Return 9-39
Fri. 5th	Partnerships & LLC's	Prob.11-13,19,26,20	CPA Exam Questions 41-50
Mon. 8th	<i>Spring Break - No Class</i>		
Wed. 10th	<i>Spring Break - No Class</i>		
Fri. 12th	<i>Spring Break - No Class</i>		
Mon. 15th	TaxWorks Instruction	Prob.11-31	Problem 11-20
Wed. 17th	Required Lab-Problem 11-31		
Fri. 19th	S-Corporations	Chapter 12/Prob.12-1,35,5,3,4	Practice Tax Return 11-31
Mon. 22nd	S-Corporations	Prob.12-11,12,22,25,34,35	
Wed. 24th	TaxWorks Instruction	Prob.12-37	CPA Exam Questions 51-60
Fri. 26th	Required Lab-Problem 12-37		
Mon. 29th	Exam #2/Chapters 9,10,11,12		Practice Tax Return 12-37
Wed. 31st	Individual Effort Tax Return #1		
<i>April</i>			
Fri. 2nd	Optimal Lab-Individual Effort Tax Return #1		
Mon. 5th	Individual Effort Tax Return #2		Individual Effort Tax Return #1
Wed. 7th	Optimal Lab-Individual Effort Tax Return #2		
Fri. 9th	Individual Effort Tax Return #3		Individual Effort Tax Return #2
Mon. 12th	Optimal Lab-Individual Effort Tax Return #3		
Wed. 14th	Individual Effort Tax Return #4		Individual Effort Tax Return #3
Fri. 16th	<i>End of Tax Season Holiday - No Class</i>		
Mon. 19th	Optimal Lab-Individual Effort Tax Return #4		
Wed. 21st	Individual Effort Tax Return #5		Individual Effort Tax Return #4
Fri. 23rd	Optimal Lab-Individual Effort Tax Return #5		
Mon. 26th	Individual Effort Tax Return #6		Individual Effort Tax Return #5
Wed. 28th	Optimal Lab-Individual Effort Tax Return #6		
Fri. 30th	Review for Final Exam		Individual Effort Tax Return #6
<i>May</i>			
Wed. 5th	Final Exam		Final Exam Time 10:00 a.m.