THE UNIVERSITY OF TEXAS AT TYLER
COLLEGE OF BUSINESS AND TECHNOLOGY
FALL 2013

COURSE NUMBER: ACCT 5370

COURSE TITLE: SPECIAL TOPICS IN ACCOUNTING
(aka PARTNERSHIP TAXATION)

INSTRUCTOR: RYAN T. GARDNER,
CPA, JD, Masters in Tax, LL.M. in Tax, Asst. Pr., Att. at Law.

REQUIRED TEXT: Fundamentals of Partnership Taxation, ___________ Edition,
Stephen A. Lind, Stephen Schwarz, Daniel J. Lathrope, and Joshua
D. Rosenberg (ISBN _______________).

Recommended but not required: The Logic of Subchapter K,
Cunningham and Cunningham, ___________ Edition.

COURSE DESCRIPTION: Statutes, regulations, administrative rulings and court
decisions relating to federal income taxes of corporations.

PREREQUISITE: None

CORE VALUES:

● Professional proficiency;
● Technical competence;
● Global awareness;
● Social responsibility; and
● Ethical courage.

COURSE OBJECTIVES:

1. KNOWLEDGE OBJECTIVES OF THIS COURSE INCLUDE:
   a. To learn partnership income tax law;
   b. To learn how to break down and analyze the Code;
   c. To learn how to find tax authority and understand the hierarchy of tax
      authority; and
   d. To prepare IRS Form 1065.

2. COMPETENCIES TO BE DEMONSTRATED IN THIS COURSE INCLUDE:
   a. Computer-based skills:
      i. Word processing: Preparing one federal income tax return;
      ii. Internet search skills: Research federal tax authority and search the
         IRS website for authority and forms;
b. Communication skills:
   i. Written:
      1. Report organization: Prepare one tax return;
      2. Referencing: Use of proper reference to tax authority;
   ii. Oral: Standing and communicating technical tax material to the class;

   c. Interpersonal skills: Learn tax authority and usefulness of such authority to enable appropriate analysis and conclusion on partnership tax issues;

   d. Problem solving:
      i. Conceptual thinking: Learn and utilize tax authority to analyze issues in partnership taxation and provide advice on the outcome;
      ii. Gathering and analyzing data: Review pages of given facts to determine the relevant facts to solve legal issues;
      iii. Creativity and innovation: Learn the applicable Code sections to enable the use of such authority to start the process of providing “tax planning” ideas;

   e. Ethical issues in decision making and behaviors: Discuss certain ethical issues that arise in tax research and how your advice to your clients could result in Circular 230 violations;

   f. Personal accountability for achievement:
      i. Meeting deadlines: During the semester, you will:
         1. Have three tests; and
         2. Perform one tax return (Form 1065).
         All projects must be completed on time. In general, no makeup work will be allowed;
      ii. Quality of work performed: The grades on the three tests will count for seventy-five percent of your grade. The one tax return will count for twenty-five percent of your grade. *I will provide handouts that should help you learn the tax law within the book. However, if you don’t read the book in detail many times and work the practice problems in the book many times, you will not succeed in this class.*

   g. Competence in basic tax principles:
      i. Competence in partnership income tax;
      ii. Awareness of partnership tax implications of business decisions: Emphasis to the students that this law is federal law and some states adopt this law in their state taxation and that currently US companies are going abroad;
      iii. Understanding and appreciation of strategic impact of business decisions: Educate as to the importance of tax concerns in every business decision and how to effectively communicate complex authority to different audiences.

3. OUTCOMES FOR STUDENTS TO SUCCESSFULLY COMPLETE THIS COURSE INCLUDE: Mastery of the above objectives as demonstrated by satisfactory completion of:
   a. Three tests; and
   b. One tax return (IRS Form 1065).
CLASS MEETING: Tuesday, 6:00 p.m. to 8:40 p.m.

CLASS ROOM: Ratliff Building North 03035

TEACHING METHOD: Lecture and class discussion.

OFFICE & PHONE NUMBER: HPR 220; 903-705-1101 (law office); 903-787-2889 (cell)
If you want me, call or text my cell. If you want to come see me, set up an appointment with me at my law office:

Ryan Gardner, Attorney at Law, PLLC
1121 ESE Loop 323, Suite 217
Tyler, Texas 75701

EMAIL ADDRESS: rgardner@uttyler.edu or rg@ryangardnerlaw.com
If you want me, email my “law” email. I check it all the time. I check the UT Tyler email about two times a week.

OFFICE HOURS: Tuesday and Thursday:
1:00 p.m. to 1:50 p.m. &
5:00 p.m. to 5:50 p.m.;
or
by appointment.

Please see my cell number, law email address and law address if you want to contact me. I am always (except 9 p.m. to 7 a.m.) available to you, but sitting in an office waiting on people to show up will NOT be high on my priority list.

TOPICS COVERED:
1. Partnership Income Tax 34.00 hours
2. Tax Return Preparation 8.00 hours

READING ASSIGNMENTS AND COURSE SCHEDULE: The goal is for each student to read the chapter in detail prior to class and attempt to work the problems in the book. This should aid in your learning the material prior to attending class. Thereafter, I will go through the applicable law and try to summarize the law into outlines. Thereafter, the students will be using such material in analyzing fact situations in three tests and using such authority in preparing one tax return. Working the questions in the chapter is a MUST and should greatly help on the tests. The following is subject to change based on the Professor’s guidance:

(Continued on next page)
AUGUST:

Tues.  27:  Overview and Choice of Entity

Logic of Sub. K:  Chapter 1
Fundamentals:  Chapter 1

Print IRS Forms 1065, and instructions to 1065; Print IRS Forms 8832 and 2553 and instructions to 2553.

Hand out Form LLC Agreement

SEPTEMBER:

Tues.  3:  Formation of Partnerships:

Logic of Sub. K:  Chapter 2
Fundamentals:  Chapter 2
LLC Agreement:  Introduction; Additional Capital Contribution; Capital Account; Capital Contribution; Gross Asset Value; Profits and Losses; Section 2.1; Article 3.

Tues.  10:  Operations of Partnerships:

Logic of Sub. K:  Chapter 3
Fundamentals:  Chapter 3
LLC Agreement:  Allocation Year; Capital Account; Fiscal Quarter; Fiscal Year; Gross Asset Value; Profits and Losses; Section 4.1; Section 4.2; Section 9.1; Section 9.2; Section 9.3;

Tues.  17:  Capital Accounts and Introduction to SEE (704(b)):

Logic of Sub. K:  Chapter 4 and 5
Fundaments:  Chapter 4, page 118 to 168
LLC Agreement:  Adjusted Capital Account Deficit; Capital Account; Depreciation; Gross Asset Value; Net Cash Flow; Percentage Interest; Profits and Losses; Sections 4.1 & 4.2 (operating); Section 4.3; Section 4.4; Section 4.5; Section 4.6; Section 5.1; Section 5.2; Section 5.3; Section 13.2 (liquidating); Section 13.3; Section 13.7

Tues.  24:  Partnership Tax, Test No. 1 (Chapters 1, 2, 3 and part of 4)
OCTOBER:

Tues. 1: Allocations on Contributed Property (704(c)):

Logic of Sub. K: Chapter 7
Fundamentals: Chapter 4, page 174 to 189
LLC Agreement: Capital Account; Capital Contributions; Depreciation; Gross Asset Value; Percentage Interests; Profits and Losses; Section 3.1; Lack of 704(c) in Section 4.3; Section 4.7

Tues. 8: Allocations of Partnership Liabilities (752):

Logic of Sub K: Chapter 6 and 8
Fundamentals: Chapter 4, page 190 to 214
Deloitte Handout.
LLC Agreement: Company Minimum Gain; Debt; Member Nonrecourse Debt; Member Nonrecourse Debt Minimum Gain; Member Nonrecourse Deductions; Nonrecourse Deductions; Nonrecourse Liability; Sections 4.3(a), (b), (e) and (f); Section 4.6(c);

Tues. 15: Transactions Between Partners / Partnerships (707):

Logic of Sub. K: Chapter 9
Fundamentals: Chapter 5
LLC Agreement: Section 2.9; Section 4.3(h); Section 7.6;

Tues. 22: Sales and Exchanges of Partnership Interests (751/741):

Logic of Sub. K: Chapter 10
Fundamentals: Chapter 6
LLC Agreement: Basis versus Capital Account and various assets of entity (look through rules)

Tues. 29: Operating Distributions:

Logic of Sub. K: Chapter11 (up to 178)
Fundamentals: Chapter 7
LLC Agreement: Gross Asset Value (ii)(B) and (iii); Profits & Losses (iv); Article V not Section 13.2;

NOVEMBER:

Tues. 5: Partnership Tax, Test No. 2 (Chapters 4 to 7)

HAND OUT TAX RETURN PROBLEM
Tues. 12: Liquidating & Disproportionate Distributions:

Logic of Sub. K: Chapter 11 (rest of chapter) and Chapters 12 / 13
Fundamentals: Chapter 8
LLC Agreement: Gross Asset Value (ii)(B) and (iii); Profits & Losses (iv); Section 13.2 not Article V;

Tues. 19: Retirement and Death of a Partner

Logic of Sub. K: Chapter 14
Fundamentals: Chapter 9

Tues. 26: Disguised Sales and Exchanges:

Logic of Sub. K: Chapter 15

DECEMBER:

Tues. 3: Anti-Abuse Rules:

Logic of Sub. K: Chapter 16
Fundamentals: Chapter 10

TAX RETURN DUE

Tues. 10: Partnership Tax, Test No. 3 (Chapters 8 to 10 plus disg. sales)
(DAY / TIME ?????)

STUDENT EVALUATION: Your course grade will be based on three tests and two tax returns as follows:

1. Three tests (100 points each) 300
2. One tax return (100 points): 100
3. Attendance / Participation (potential curve up or down): ___
   Total Points Possible: 400

Your grade will be based on the following:

A 360 or more points;
B 320 points up to 359 points;
C 280 points up to 319 points;
D 240 points up to 279 points; and
F 239 points and below.
1. Three Tests. **This class will take a large effort on your part. We have an ambitious goal of covering a large part of partnership taxation. Reading the chapters more than one time and working the problems are a must.** You must read the book, study my outlines and your notes and work problems. If you do not work hard, you will have a very difficult time passing this class. I will give you whatever grade you earn, which includes if you earn the grade of C, D or F, you will receive such grade. **As a promise to you, if you work hard through this class, you will have skills that are marketable upon leaving UTT.** The three tests will test your knowledge of the material in the book and my handouts. Not reading for class and attempting to study all this material in four to five days prior to test will result in a horrible outcome (please don’t test me on this one, you will not like the outcome).

2. One Tax Return: The tax return will require you to apply your knowledge learned in the book, my outlines and your notes to fact situations. You must become familiar with where the rubber hits the road, which for you is a tax return, and thus you will prepare a comprehensive IRS Form 1065.

3. Attendance / Participation: I promise you I want all of you to make an A. I will work with each one of you as hard as I can so that you learn this material. I promise you I want you to learn this material. However, if you come to class unprepared and try to study all this material right before the exam YOU WILL NOT MAKE IT THROUGH THIS CLASS. Please read for class, study outlines and work problems. Ask me questions, so I know you are working. Please keep up and ask me if you don’t understand concepts. If you come to class prepared and participate in class, I will remember that if you are on the edge and need 1 or 2 points to the next grade.

4. Other Policies:

   (a) **Students Rights and Responsibilities.** To know and understand the policies that affect your rights and responsibilities as a student at UT Tyler, please follow this link: [http://www2.uttyler.edu/wellness/rightsresponsibilities.php](http://www2.uttyler.edu/wellness/rightsresponsibilities.php).

   (b) **Grade Replacement/Forgiveness and Census Date Policies.** Students repeating a course for grade forgiveness (grade replacement) must file a Grade Replacement Contract with the Enrollment Services Center (ADM 230) on or before the Census Date of the semester in which the course will be repeated. Grade Replacement Contracts are available in the Enrollment Services Center or at [http://www.utttyler.edu/registrar](http://www.utttyler.edu/registrar). Each semester’s Census Date can be found on the Contract itself, on the Academic Calendar, or in the information pamphlets published each semester by the Office of the Registrar.

   Failure to file a Grade Replacement Contract will result in both the original and repeated grade being used to calculate your overall grade point average. Undergraduates are
eligible to exercise grade replacement for only three course repeats during their career at UT Tyler; graduates are eligible for two grade replacements. Full policy details are printed on each Grade Replacement Contract.

The Census Date is the deadline for many forms and enrollment actions that students need to be aware of. These include:

- Submitting Grade Replacement Contracts, Transient Forms, requests to withhold directory information, approvals for taking courses as Audit, Pass/Fail or Credit/No Credit;
- Receiving 100% refunds for partial withdrawals. (There is no refund for these after the Census Date);
- Schedule adjustments (section changes, adding a new class, dropping without a “W” grade);
- Being reinstated or re-enrolled in classes after being dropped for non-payment; and
- Completing the process for tuition exemptions or waivers through Financial Aid.

(c) **State-Mandated Course Drop Policy.** Texas law prohibits a student who began college for the first time in Fall 2007 or thereafter from dropping more than six courses during their entire undergraduate career. This includes courses dropped at another 2-year or 4-year Texas public college or university. For purposes of this rule, a dropped course is any course that is dropped after the census date (See Academic Calendar for the specific date).

Exceptions to the 6-drop rule may be found in the catalog. Petitions for exemptions must be submitted to the Enrollment Services Center and must be accompanied by documentation of the extenuating circumstance. Please contact the Enrollment Services Center if you have any questions.

(d) **Disability Services.** In accordance with Section 504 of the Rehabilitation Act, Americans with Disabilities Act (ADA) and the ADA Amendments Act (ADAAA) the University offers accommodations to students with learning, physical and/or psychiatric disabilities. If you have a disability, including non-visible disabilities such as chronic diseases, learning disabilities, head injury, PTSD or ADHD, or you have a history of modifications or accommodations in a previous educational environment you are encouraged to contact the Student Accessibility and Resources office and schedule an interview with the Accessibility Case Manager/ADA Coordinator, Cynthia Lowery Staples. If you are unsure if the above criteria applies to you, but have questions or concerns please contact the SAR office. For more information or to set up an appointment please visit the SAR office located in the University Center, Room 3150 or call 903.566.7079. You may also send an email to cstaples@uttyler.edu.
(e) **Student Absence due to Religious Observance.** Students who anticipate being absent from class due to a religious observance are requested to inform the instructor of such absences by the second class meeting of the semester.

(f) **Student Absence for University-Sponsored Events and Activities.** If you intend to be absent for a university-sponsored event or activity, you (or the event sponsor) must notify the instructor at least two weeks prior to the date of the planned absence. At that time the instructor will set a date and time when make-up assignments will be completed.

(g) **Social Security and FERPA Statement.** It is the policy of The University of Texas at Tyler to protect the confidential nature of social security numbers. The University has changed its computer programming so that all students have an identification number. The electronic transmission of grades (e.g., via e-mail) risks violation of the Family Educational Rights and Privacy Act; grades will not be transmitted electronically.

(h) **Emergency Exits and Evacuation.** Everyone is required to exit the building when a fire alarm goes off. Follow your instructor’s directions regarding the appropriate exit. If you require assistance during an evacuation, inform your instructor in the first week of class. Do not re-enter the building unless given permission by University Police, Fire department, or Fire Prevention Services.

(i) **Course Disclaimer.** This course is not intended to be comprehensive analysis of the laws and issues presented. The information contained in this course may not be applicable to all situations due to the generality of our discussions, the evolution of case law, and the necessity of interpretive guidance. For these reasons, nothing contained in this course should be relied upon without the benefit of legal and financial advice based on the particular circumstances presented. Furthermore, the policy of the State Bar of Texas prohibits the Instructor from providing legal advice to students. Students seeking individual legal advice are encouraged to contact their respective attorneys, or the State Bar of Texas Lawyer Referral Service (800-252-9690).

(j) **College of Business Statement of Ethics.** The ethical problems facing local, national and global business communities are an ever-increasing challenge. It is essential the College of Business and Technology help students prepare for lives of personal integrity, responsible citizenship, and public service. In order to accomplish these goals, both students and faculty of the College of Business & Technology at The University of Texas at Tyler will:
   a. Ensure honesty in all behavior, never cheating or knowingly giving false information;
   b. Create an atmosphere of mutual respect for all students and faculty regardless of race, creed, gender, age or religion;
   c. Develop an environment conducive to learning;
   d. Encourage and support student organizations and activities;
e. Protect property and personal information from theft, damage and misuse; and
f. Conduct yourself in a professional manner both on and off campus.

(k) **Academic Dishonesty Statement.** The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrates a high standard of individual honor in his or her scholastic work. Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment of the award of a degree, and/or the submission, as one’s own work of material that is not one’s own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings. University regulations require the instructor to report all suspected cases of academic dishonesty to the Dean of Students for disciplinary action. In the event disciplinary measures are imposed on the student, it becomes part of the students’ official school records. Also, please note that the handbook obligates you to report all observed cases of academic dishonesty to the instructor.