ACCT 5310: Research Problems in Federal Income Taxation

“The only difference between a tax man and a taxidermist is that the taxidermist leaves the skin.” Mark Twain

“Government’s view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.” Ronald Reagan

Fall 2016

Instructor: Roger Lirely, DBA, Professor of Accounting
BUS 154B
rliely@uttyler.edu (preferred means of communication) Note: For legal privacy reasons, I will respond only to your official patriots email account.
903-565-5762

Office Hours: Thursdays, 1:00-3:00 p.m.; 5:00-6:00 p.m.
Other hours by appointment only.

I. Rationale/Purpose

This course is required for degree completion of all Master of Accountancy students and to help fulfill the content requirements of the Uniform CPA Exam.

Catalog Description
Research problems of the tax consequences of the transactions of taxable and tax-exempt entities. Approved by Texas State Board of Public Accountancy for 2-hour research requirement. Prerequisite: ACCT 3325 and admission to the Master of Accountancy program or consent of MAcc program director.

II. Course Aims and Objectives:

Several years ago, I suffered from an esophageal spasm, the symptoms of which are very similar to a heart attack. As part of my follow-up, I saw a cardiologist who, when he found out I teach income taxation for a living, said “I thought doctors have a tough time keeping up with change! How can you possibly keep up with all of the changes to tax law?” The answer is, I can’t and neither can you.

So why do you have to take this course and “memorize” all these rules, when they’ll change again and, very likely, soon. We will inaugurate a new President on Friday, January 20, 2017, and, rest assured, the new President will want new tax legislation passed. Keep in mind though, that unless you choose tax as part of your career path, the only time you have to know the current tax rules well is during that 3- or 4-hour time period you sit for the CPA Regulation exam (even then, you have to know only 75%). You know what they say about someone who passes the exam with a grade of 76%? That person spent too much time studying!!!

What you have to know, what you have to learn from this course is 1) those concepts (or legal constructs or principles or “theories”) that are relatively constant through
time and generally attempt to ensure that tax laws are applied equitably and consistently across entities, and 2) how to research taxation:
  ♦ How to collect facts about your client’s situation
  ♦ How to determine from the facts what issues arise from your client’s situation
  ♦ How to find the legal authority that will answer your question
  ♦ How to read and interpret the law
  ♦ How to complete an analysis that applies the law to your client
  ♦ How to reach a conclusion and make a decision
  ♦ How to communicate your findings to your client
  ♦ How to communicate your findings to your firm for future reference
  ♦ How to change your analysis when the law changes.

The only way to learn how to do these things is to practice, practice, and practice researching current law until you reach a level of professional competence that allows you to be confident and comfortable with your ability. The tools you learn in this class, as opposed to the facts you will learn, will be useful to you throughout your professional lifetime.

Several years ago, I was reading the comments from student opinion surveys and came across the comment, “Teaching? He didn’t do any teaching. We taught ourselves!” The student meant the statement as a criticism—that it was my job to teach him/her what they needed to learn and that I hadn’t done my job. Au contraire—I did exactly what I set out to do. I taught that student to teach him/herself—a lesson that will last a lifetime.

• Specific Learning Objectives:

  By the end of this course, students will:
  1. Learn the fundamental concepts of the federal income tax system as applied to entities other than individuals.
  2. Learn the fundamental concepts of tax research.
  3. Apply the fundamentals learned in these two areas to problem situations likely to be encountered in tax practice.
  4. Know more about their oral communication capabilities and what they need to do to improve their presentation skills set.
  5. Be able to report and defend their tax research findings in formal memoranda and presentations to peers.

II. Required Course Materials

  ♦ Either (1) Online or hardcopy of The Bluebook: A Uniform System of Citation, 20th ed. (The Harvard Law Review Association, 2015); or (2) eBook or Kindle version of Introduction to Basic Legal Citation (Legal Information Institute of Cornell Law School, Fall 2015).
III. Faculty Expectations of Students/Course Policies

- **Course Method:**
  We will employ a variety of learning approaches, including lecture, discussion, team-based learning, problem solving, research cases, presentations, and web-based research tools.

- **Attendance and Participation Policy:**
  As aspiring professionals, each of you should attend all class meetings and be on time for class. This is especially critical given our case-based approach to learning—your contributions are an integral part of everyone’s learning process. At a minimum, you should have read the assigned materials and contributed to your team’s assigned research cases and/or homework.

  The success of any class depends on the interaction of the students. Experiences vary greatly and the class members can learn from each other. I place great emphasis on this and carefully note the contributions from and participation of students. My perceptions of student participation are reflected in the student’s final course grading.

- **Presentations and Research Memoranda:**
  One or more research cases or problems are assigned weekly. Each student should prepare a tax research memorandum for each research case and be prepared to contribute to their discussion. One student will assume primary responsibility for each case and present the research solution to the class. Presenters should dress professionally and use proper grammar and business etiquette throughout the presentation. The rubric I use to evaluate presentations are posted in Bb.

- **Quizzes**
  At the conclusion of the presentations each week, students will take a quiz over the material for that week.

- **Tax Return/Other Assignment**
  Students who have no familiarity with professional tax return software will prepare both a C-Corp and a partnership tax return. Others will receive an alternate assignment of the same point value.

- **Examinations:**
  There will be two examinations, worth a total of 50 percent of your course grade. Each exam will comprise both a take-home part comprising problems and essays and an in-class part consisting of multiple-choice questions. The take-home part will include a formal research memorandum, so take care to use the Research Feedback forum (see above) to address insufficiencies and take advantage of strengths identified by your peers and me.

- **Late Assignments:**
  I do not accept late assignments. If, for reasons beyond your control, you cannot complete a requirement, see me about a grade of “Incomplete.”
• **Retention of Written Work:**
  Students should maintain a copy of all their work in a quality fashion/method. I may not return originals.

IV. Grading Procedures

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<tr>
<td>Participation</td>
<td>10%</td>
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<tr>
<td>Tax Return or other project</td>
<td>10%</td>
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<tr>
<td>Weekly Quizzes</td>
<td>10%</td>
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<tr>
<td>Research presentation(s)</td>
<td>20%</td>
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<td>Midterm Exam</td>
<td>30%</td>
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<td>Final Exam</td>
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<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
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I will assign letter grades on the basis of 90-100%=“A,” 80-89%=“B,” 70-79%=“C,” and less than 70%=“F.”
### V. Tentative Course Schedule

*May change to accommodate guest presenters & student needs*

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<tr>
<th>DATE</th>
<th>TOPIC/READING</th>
<th>ASSIGNMENT**</th>
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<tbody>
<tr>
<td>Sept 1</td>
<td>Introduction</td>
<td>Assign teams for week 2</td>
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<tr>
<td>Sept 8</td>
<td>Ch. 1: Understanding and Working with the Federal Tax Law</td>
<td>Problems 40-51; Research Problems 1 &amp; 2 (teams)</td>
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<td>Sept 15</td>
<td>Ch. 2: Corporations: Introduction and Operating Rules</td>
<td>Research Problems 1, 2, &amp; 3; Ch. 2 Quiz</td>
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<td>Sept 22</td>
<td>Ch. 4: Corporations: Organization and Capital Structure</td>
<td>Research Problems 1, 2, &amp; 3; Ch. 4 Quiz</td>
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<td>Sept 29</td>
<td>Ch. 5: Corporations: Earnings &amp; Profits and Dividend Distributions</td>
<td>Research Problems 1, 2, &amp; 3; Ch. 5 Quiz</td>
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<td>Oct 6</td>
<td>Ch. 6: Corporations: Redemptions and Liquidations</td>
<td>Research Problems 1, 2, &amp; 3; Ch. 6 Quiz</td>
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<td>Oct 13</td>
<td>Ch. 7: Corporations: Reorganizations</td>
<td>Research Problems 1, 2, &amp; 3; Ch. 7 Quiz</td>
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<td>Oct 20</td>
<td>Ch. 8: Consolidated Tax Returns</td>
<td>Research Problems 1, 2, &amp; 3; Ch. 8 Quiz</td>
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<td>Oct 27</td>
<td><strong>MID-TERM EXAM:</strong></td>
<td>Chs. 2, 4-8.</td>
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<td>Nov 3</td>
<td>Ch. 9: Taxation of International Transactions</td>
<td>Research Problems 1 &amp; 2; Ch. 9 Quiz</td>
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<td>Nov 10</td>
<td>Ch. 10: Partnerships: Formation, Operation, and Basis</td>
<td>Research Problems 1, 2, &amp; 3; Ch. 10 Quiz</td>
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<tr>
<td>Nov 17</td>
<td>Ch. 10: Partnerships: Formation, Operation, and Basis &amp; Ch. 11: Partnerships: Distributions, Transfer of Interests, and Terminations</td>
<td>Research Problems 1, 2, &amp; 3 (Ch. 11)</td>
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<td>Nov 24</td>
<td><strong>THANKSGIVING BREAK</strong></td>
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<td>Dec 1</td>
<td>Ch. 11: Partnerships: Distributions, Transfer of Interests, and Terminations</td>
<td>Ch. 11 Quiz</td>
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<td>Dec 8</td>
<td>Ch. 12: S Corporations</td>
<td>Research Problems 1 &amp; 2; Ch. 12 Quiz</td>
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<td>Dec 15</td>
<td><strong>FINAL EXAM:</strong></td>
<td>Chs. 9-12</td>
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**IMPORTANT DATES:**
- Census date (last day for student schedule changes): Sept. 12
- Last day to withdraw with grade of "W": October 31
UT Tyler Honor Code
Every member of the UT Tyler community joins together to embrace: Honor and integrity that will not allow me to lie, cheat, or steal, nor to accept the actions of those who do.

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://www.uttyle.edu/wellness/rightsresponsibilities.php

Campus Carry
We respect the right and privacy of students 21 and over who are duly licensed to carry concealed weapons in this class. License holders are expected to behave responsibly and keep a handgun secure and concealed. More information is available at http://www.uttyle.edu/about/campus-carry/index.php

UT Tyler a Tobacco-Free University
All forms of tobacco will not be permitted on the UT Tyler main campus, branch campuses, and any property owned by UT Tyler. This applies to all members of the University community, including students, faculty, staff, University affiliates, contractors, and visitors.

Forms of tobacco not permitted include cigarettes, cigars, pipes, water pipes (hookah), bidis, kretek, electronic cigarettes, smokeless tobacco, snuff, chewing tobacco, and all other tobacco products.

There are several cessation programs available to students looking to quit smoking, including counseling, quitlines, and group support. For more information on cessation programs please visit www.uttyle.edu/tobacco-free.

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. (For Fall, the Census Date is Sept. 12.) Grade Replacement Contracts are available in the Enrollment Services Center or at http://www.uttyle.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 (Sept. 12th) is the deadline for many forms and enrollment actions of which students need to be aware. 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
- Completing the process for tuition exemptions or waivers through Financial Aid

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.

**Student Accessibility and Resources**

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](#) (SAR) 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](mailto:cstaples@uttyler.edu)

**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.

**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.

**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.

**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.

**Student Standards of Academic Conduct**

Disciplinary proceedings may be initiated against any student who engages in scholastic dishonesty, including, but not limited to, cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.

i. “Cheating” includes, but is not limited to:

- copying from another student’s test paper;
- using, during a test, materials not authorized by the person giving the test;
- failure to comply with instructions given by the person administering the test;
- possession during a test of materials which are not authorized by the person giving the test, such as class notes or specifically designed “crib notes”. The presence of textbooks constitutes a violation if they have been
specifically prohibited by the person administering the test;
- using, buying, stealing, transporting, or soliciting in whole or part the contents of an unadministered test, test key, homework solution, or computer program;
- collaborating with or seeking aid from another student during a test or other assignment without authority;
- discussing the contents of an examination with another student who will take the examination;
- divulging the contents of an examination, for the purpose of preserving questions for use by another, when the instructors has designated that the examination is not to be removed from the examination room or not to be returned or to be kept by the student;
- substituting for another person, or permitting another person to substitute for oneself to take a course, a test, or any course-related assignment;
- paying or offering money or other valuable thing to, or coercing another person to obtain an unadministered test, test key, homework solution, or computer program or information about an unadministered test, test key, home solution or computer program;
- falsifying research data, laboratory reports, and/or other academic work offered for credit;
- taking, keeping, misplacing, or damaging the property of The University of Texas at Tyler, or of another, if the student knows or reasonably should know that an unfair academic advantage would be gained by such conduct; and
- misrepresenting facts, including providing false grades or resumes, for the purpose of obtaining an academic or financial benefit or injuring another student academically or financially.

ii. “Plagiarism” includes, but is not limited to, the appropriation, buying, receiving as a gift, or obtaining by any means another’s work and the submission of it as one’s own academic work offered for credit.

iii. “Collusion” includes, but is not limited to, the unauthorized collaboration with another person in preparing academic assignments offered for credit or collaboration with another person to commit a violation of any section of the rules on scholastic dishonesty.

iv. All written work that is submitted will be subject to review by SafeAssign™, available on Blackboard.

**UT Tyler Resources for Students**
- **UT Tyler Writing Center** (903.565.5995), writingcenter@uttyler.edu
- **UT Tyler Tutoring Center** (903.565.5964), tutoring@uttyler.edu
- The Mathematics Learning Center, RBN 4021, this is the open access computer lab for math students, with tutors on duty to assist students who are enrolled in early-career courses.
- **UT Tyler Counseling Center** (903.566.7254)