

ACCT 5420/6420/5423/6426
Income Taxation II
Fall Semester 2014

Professor: Dr. Kim Key, PwC Associate Professor of Accountancy

Office: 339 Lowder Hall

E-mail address: keykimb@auburn.edu

Office hours: Tuesday 10:00 to 11:00 and by appointment

Graduate Student Information:

Stephen Taunton: set0008@auburn.edu

Help sessions: Thursday 4:00 to 5:00 Room 4, Friday 10:00 to 11:00 Room 127

Office hours in Room 302: Wednesday 2:00 to 3:00, Thursday 10:00 to 11:00

Required textbook: *McGraw Hill's Taxation of Individuals and Business Entities 2015 edition by Spilker, et al. – custom publish for AU Income Tax II (ISBN 978130824323)*

Course learning objectives: The goals of the class are to learn the following:

- Entity measurement of taxable income (and income tax when applicable)
- Fundamentals of entity taxation for basic business transactions
- Tax return preparation
- Tax planning approaches and opportunities

Textbook and course organization: This course covers taxation of the three business entities that are explicitly recognized in the tax laws – C corporations, partnerships, and S Corporations. Annual operating results for all three entities must be measured and reported to appropriate tax authorities. In addition, transactions such as formation, distributions, and liquidations occur in businesses regardless of the form of organization. Tax laws handle these similar business transactions in ways that depend on the type of business entity.

Course format: The course will entail lecture, discussion, and problem review from the textbook. You are encouraged to ask questions during class. For each chapter there will be a brief outline of classroom coverage. It includes a listing of textbook problems that will be covered as part of the classroom coverage of a particular chapter. The outline will also list problems from the textbook that you will do on your own. Selected solutions will be posted on Canvas.

Basis for grading:

	Undergraduate	Graduate
Exams (100 points each)	500	500
Quizzes (10 points each)	30	30
Tax Returns (10 points each)	20	20
Case		20
Cell phone penalties – minus 10 per incident		
TOTAL	550	570

Your course grade will be determined based on an absolute scale (i.e., 90%, 80%, etc. cut offs).

Exams: Exam format is primarily a combination of true-false, multiple choice questions and problems. Short answer or essays may also be used. Prior to each exam, information about the exam format and the subject matter of any problems will be provided. Exams are closed book and closed notes. Make up exams are allowed only for university-approved reasons and with proper documentation.

Quizzes: Quizzes are administered in part to comply with SACS and AACSB accreditation and assessment requirements. The 3rd quiz is given at the time of the final exam and is comprehensive. We will complete a one-page sheet throughout the semester that will summarize main points of business tax and that can be reviewed for the 2nd and 3rd quizzes. Quizzes are closed book and closed notes.

Tax returns: Additional information and directions will be provided for the tax returns.

Cell phones: Cell phones are not allowed to be out during class. Any cell phone that is visible will result in a deduction of 10 points per incident.

Graduate credit: Auburn University policies require that a student enrolled in a course for graduate credit must do additional work beyond that of undergraduate requirements. This semester, students will complete a case.

Calculator Policy: School of Accountancy Policy requires that ONLY a TI 503 or TI 1706 calculator be used during tests. This policy will be strictly enforced on campus for this class. Distance student test directions include that only a basic function calculator is allowed.

Students with Accommodations: Students requiring special arrangements for classroom environment or test taking should have their information sent to me as soon as possible. Students needing extra testing time will take their exams at the Office of Accessibility.

Academic Honesty: See School of Accountancy Policy at the end of the syllabus.

School of Accountancy Career Development: See information at the end of the syllabus.

Daily Schedule: The schedule is organized by chapter but is incomplete. Details of chapter coverage, problems, etc. are in chapter outlines. Necessary schedule changes could be made.

Deadlines: Deadlines are strictly enforced in this class. No late work is allowed without appropriate University-approved documentation.

Aug 18	Course Introduction
Aug 20	Property Transactions (Excel file Canvas) and Tax Planning Variables
Aug 25	Corporate Operations – Chapter 16
Aug 27	Chapter 16
Sept 1	OFF for Labor Day Holiday
Sept 3	Chapter 16
Sept 8	Quiz 1: Corporate Book-Tax Differences Chapter 16
Sept 10	EXAM 1
Sept 15	Corporate Formations and Capital Contributions – Chapter 19
Sept 17	Tax Return 1 Due Chapter 19
Sept 22	Chapter 19
Sept 24	Partnership Formation and Capital Contributions – Chapter 20
Sept 29	Chapter 20
Oct 1	EXAM 2
Oct 6	Corporate Nonliquidating Distributions – Chapter 18 E&P Case posted for students enrolled for graduate credit
Oct 8	Chapter 18
Oct 13	Chapter 18
Oct 15	Chapter 19 – Corporate Liquidating Distributions
Oct 20	EXAM 3
Oct 22	Partnership Operations – Chapter 20
Oct 27	Chapter 20 E&P case due for students enrolled for graduate credit
Oct 29	Chapter 20
Nov 3	Partnership Distributions – Chapter 21
Nov 5	Chapter 21
Nov 10	EXAM 4
Nov 12	S Corporations – Chapter 22
Nov 17	Tax Return 2 due Chapter 22
Nov 19	Chapter 22
Dec 1	Chapter 15 – Entities Overview
Dec 3	Quiz 2: Corporate and Flow-Through Entity Tax Frameworks Chapter 15
Dec 8	Final Exam and Quiz 3 for 8:00 class is at 8:00 a.m. on Monday, December 8
Dec 11	Final Exam and Quiz 3 for 9:30 class is at 8:00 a.m. on Thursday, December 11 Quiz 3: Tax Effect of Business Transactions

School of Accountancy Academic Honesty Policy

We, the School of Accountancy (SOA) faculty, believe in the honesty and integrity of our students. Experience has taught us that many academic honesty issues arise from the lack of clear guidance and communication. The SOA Academic Honesty Policy was implemented to improve guidance and communication related to academic honesty. In addition to this policy, your professor will provide additional clarity as it relates to course-specific, academic honesty issues.

General:

All portions of the Auburn University student Academic Honesty Code (Title XII) found in the *Student Policy eHandbook* will apply to this class. The Academic Honesty Code can be accessed at: <https://sites.auburn.edu/admin/universypolicies/Policies/AcademicHonestyCode.pdf>. All academic honesty violations will be reported to the Auburn University Academic Honesty Committee.

Exams:

No part of any exam from any accounting course (past and present) at Auburn University may be possessed, reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the written permission of the course professor from which the exam originated. Violation of this policy will be considered a violation of the Academic Honesty Code.

Collaboration:

Many courses within the School of Accountancy require completion of projects, cases, exercises, and/or other assignments outside of the classroom environment. The professor may require that these assignments be completed individually or within a group setting. Each student (and group) should understand and abide by the collaboration guidelines for *each assignment* in order to avoid violating the Academic Honesty Code.

The acceptable level of collaboration may vary greatly from assignment to assignment, course to course, and from professor to professor. It is the professor's responsibility to notify students to what extent collaboration is allowed. **Absent written notification from the professor you should assume that collaboration of any sort is NOT permitted.** Collaboration includes a number of activities, such as working together to complete an assignment, discussing an assignment before it has been completed, and discussing an assignment after it has been completed but before it has been turned in. Make sure that you understand the degree of collaboration allowed by the professor. If you are not sure, ask the professor.

School of Accountancy Career Development

In addition to the Office of Professional and Career Development (OPCD), Mrs. Colby Lakas in the School of Accountancy is dedicated to assisting you with your career development. She is available to meet with you in 359 Lowder Hall to answer questions about: 1. the Accounting Internship Program, 2. Accounting Recruiting Activities and Events, 3. Beta Alpha Psi, the honorary accounting fraternity, 4. the Financial Leadership Society, 5. the Master of Accountancy Program, 6. the 150-hour requirement, 7. the CPA exam, and 8. any other questions about your career.

Mrs. Lakas is NOT intended to replace a student's current undergraduate academic advisor. For academic matters, visit the Office of Academic Advising in 147 Lowder.

To make an appointment with Mrs. Lakas, e-mail her at colby.lakas@auburn.edu.

