

ACCT 7420/7426
Advanced Corporate and Partnership Tax
Spring 2017

Professor: Dr. Kim Key

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Campus student office hours: Mon & Wed 3:30 to 4:00, Tues 9:00 to 10:00

Online students: E-mail me with questions anytime. We can also arrange a phone call if needed.

Preferred contact: Please do not send me e-mail through Canvas.

Required Materials:

McGraw-Hill's Taxation of Individuals and Business Entities by Spilker, et al. any recent year. This book is custom published for Tax II at AU. Four chapters will be useful: Corporate Operations; Corporate Formation, Reorganization, and Liquidation; Forming and Operating Partnerships; Dispositions of Partnership Interests and Partnership Distributions. The chapters are posted on Canvas. The book is primarily intended as a resource for you to use on your own.

Cases in Tax Strategy by Erickson – Custom published and posted on Canvas.

Practical Guide to Partnerships and LLCs (7th edition) by Ricketts and Tunnell (ISBN 9780808040569).

Course Objective: This course builds on the foundation of the undergraduate business entities tax class with a primary objective to understand the tax effect of business transactions at a deeper level and to understand and apply tax rules to real business transactions and scenarios. Several transactions not covered in the undergraduate course will also be covered.

Course Format: The course will rely heavily on cases for corporations. For partnerships, some cases will be used, but we will also make fairly extensive use of the textbook and its problems. Students will be expected to take the lead in many discussions, and class periods are expected to be an open environment of questions and discussion.

Basis for Grading (approximate and subject to change):

Cases (10 points each per part)	100
Southeast Tax Challenge case and presentation	50
Corporate tax return (from Utopia case)	10
Partnership and partner tax returns	20
Homework problems (5 points each)	30
Total points	210

Your course grade will be determined based on performance compared to a traditional scale (i.e., 90%=A, 80%=B, etc.). The exact points will probably differ slightly (e.g., dropping a case or adding a problem). I do not plan to give a final exam but reserve the right to do so.

Participation: Students should come to class prepared to discuss cases and problems. Attendance in MAcc classes is required. Unexcused absences will result in a reduction in total points and possibly removal from the course.

Cases and Problems: Cases will be done individually or in groups of two (your choice on a case by case basis) with no consulting with other class members. Some cases have been used in past courses. There are limited cases available, and sharing of cases spoils the learning environment for current and future students. ANY consulting with classmates, use of posted information online, or use of former student's work will be considered cheating with punishment pursued to the fullest extent possible under Auburn University policies. Please DO NOT share cases with future students. Case write ups will be graded as exceeds expectations, meets expectations, or below expectations. "Meets expectations" = 8/10 points. You are not expected to have the correct answers for the cases. You are expected to make a good effort.

Southeast Tax Challenge: The University of Missouri Law School and School of Accountancy are hosting the inaugural tax challenge February 10 and 11. The competition problem is released January 27. All students in our class will complete the problem and presentation following the challenge guidelines. For purposes of our class, your group will submit a voice-over Power Point that advances automatically. You will work in groups of 2 or 3 students with the groups assigned.

Deadlines: All students must adhere to assignment and case deadlines. Late work will receive no credit. Cases and assignments must be submitted on Canvas prior to class room coverage. You should bring a printed copy with you to class or on your laptop so that you can make corrections and changes as cases and assignments are covered in class. It is possible that some deadlines will be different from campus deadlines. If so, the streaming video will be delayed for those dates.

Cheating: Please see School of Accountancy Academic Honesty Policy attached to the end of the syllabus.

Program for Students with Disabilities: Auburn University is committed to providing accommodations and services to students with documented disabilities. Students who have questions or need special accommodations on campus or to participate in distance education courses should contact the Office of Accessibility. Please notify me on a timely basis of any accommodation that is needed.

Daily Schedule: The schedule is subject to change as the course proceeds – especially the partnership material.

Jan 11	Course Introduction Seagram and DuPont case in Erickson (Stock Redemption) (For question 8b, use Table 2 as a model)
Jan 18	Utopia part 1 (Corporate Formation and opening Balance Sheets for book and tax)
Jan 23	Utopia part 2 (Corporate Operations: Update spreadsheet for book and tax adjusting entries and prepare book to tax reconciliation)
Jan 25	Utopia part 3 (Corporate Liquidation)

Jan 30	Work on SE Tax Challenge case – class tentative (only if necessary)
Feb 1	Work on SE Tax Challenge case – class tentative (only if necessary)
Feb 6	Work on SE Tax Challenge case – class tentative (only if necessary)
Feb 8	Presentations of SE Tax Challenge due at end of day – no class
Feb 13	No class Review of other groups' SE Tax Challenge presentations due
Feb 15	Taxable corporate acquisitions
Feb 17 (FRI)	Utopia tax return due by noon
Feb 20	Buyer and Seller at Odds case
Feb 22	Tax-deferred corporate acquisitions
Feb 27	Tax-deferred corporate acquisitions
Mar 1	Proctor & Gamble and Gillette merger and acquisition case
Mar 6	Partnership Review and Basics Chapter 1: What is a Partnership? Chapter 2: Formation and AB of PS Interest
Mar 8	Partnership Review and Basics Chapter 4: Calculation of PS Income
Mar 20	Review case Chapter 3: Receipt of PS Interest for Services Chapter 7: Allocation of Built in Gain or Loss
Mar 22	Chapter 9: Partner's Share of Partnership Deb
Mar 27	Part 1 of case due
Mar 29	Chapter 12: Partnership Distributions
Apr 3	Jade Trading case
Apr 5	Chapter 6: Allocations of PS Income – Substantial Economic Effect
Apr 10	Chapter 6 continued
Apr 12	Part 2 of case due
Apr 17	No class
Apr 19	Part 3 of case due
Apr 21 (FRI)	Case tax return due
Apr 24	Guest speaker – tentative
Apr 26	Guest speaker – tentative

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.