

ACCT 540

Advanced Income Tax Accounting

Spring Semester 2018

Thursday, 6:00 p.m. to 9:30 p.m.

Location: UCD

Instructor: Jim Hamill, CPA, Ph.D.
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TAMUC Office:

Office Hours: 5 p.m. to 6 p.m. Thursday and after class

Textbook: McGraw Hill's *Taxation of Individuals and Business Entities*, 2018 Edition.

As you may know, a significant tax bill was enacted in December 2017, effective generally as of January 1, 2018. The details of this bill are not in the textbook. I will provide supplemental materials throughout the semester to cover the new legislation. I will also not assign certain pages of chapters if those provisions will no longer be effective after 2017. Tax bills are usually not passed with such haste so we will all need to be a bit flexible this semester in dealing with the new law.

Course Description

This course is an overview to the taxation of corporations (both "C" and "S"), partnerships, and estate and gift tax planning. It also discusses tax research techniques and professional responsibilities in tax practice. We address issues and approaches that are similar to what a tax practitioner would encounter and do. In many cases, there are no certain answers. This course is not specifically designed to prepare for the CPA exam, but the course coverage will be very helpful in this regard. Among other course objectives, you will learn differences between book and tax accounting and why these differences exist.

The 2017 tax legislation makes significant changes to the taxation of regular ("C") corporations and to the taxation of business income in general. It also changes the amount that may be passed free of the estate tax and further reduces the number of taxpayers subject to the estate tax. These changes do not eliminate estate planning but may shift the focus (e.g., to income tax planning for beneficiaries and planning for an efficient transfer of control if the individual becomes incapacitated).

Significant tax law changes create opportunities, particularly for new or recent entrants into the profession. Changes to laws create a more equal footing for young professionals and more experienced ones.

Grading

(3) exams	300 points
Research Assignments (2)	50 points

Exam 3 is not cumulative. All exams are open notes, open book. However, this is merely to avoid unnecessary study time memorizing facts, and you should not rely on access to the book and notes as a substitute for study for the exam. If you expect that you will be able to answer questions by reliance on the notes and book, you will very likely run out of time to finish the exam. Study in the same way that you would for any exam, with the knowledge that if you forget a specific fact that you will be able to check your source materials. The research assignments will be done outside of class and the details will be announced later.

The research assignments must be turned in on time. **You must submit a hard copy.** Failure to submit it on this date will result in a loss of possible points. If turned in one day late, the maximum point total drops to 22. If 2 days late 19 points maximum, 3 days late 16 points maximum, and for each day that the assignment is late more than 3 days 4 points will be subtracted from the maximum point total. This means that if the assignment is 6 days late the maximum points to be assigned is 4 and after 6 days the grade will be zero.

There may be extra credit assignments throughout the semester. If so, each one will be worth 3 points. To receive any points for extra credit the assignment must be turned in at the start of the class for which it is due. Assigning extra credit is at my discretion. Because it is extra credit no points may be earned if the assignment is not turned in at the start of the class for which it is due, without regard to why you could not meet this deadline. Extra credit cannot be submitted electronically. You must be in class the day it is due to receive any credit.

Students with Disabilities and Title IX Compliance

If you have any disability that could affect your experience in this class, please let me know the first week of classes. I rely entirely on those specialists designated by the university to determine whether an accommodation is appropriate and, if so, what accommodation is appropriate.

In an effort to meet obligations under Title IX, faculty are considered “responsible employees” by the Department of Education. This requires that any report of gender discrimination which includes sexual harassment, sexual misconduct and sexual violence made to a faculty member must be reported to the Title IX Coordinator at the Office of Equal Opportunity.

COURSE SCHEDULE

Discussion questions and problems will be assigned but are not collected and do not constitute part of the grading for the course. I will not necessarily cover all assigned problems in class, but you may always ask me to address any issue and I will do so. The assigned items are for your benefit, and may be supplemented with additional materials that I will hand out in class or send electronically. This may include PowerPoint slide decks, review questions, and Word documents.

<u>Date</u>	<u>Topic(s) - pages</u>
Th 2-01	Course Overview Chapter 16 – Corporate Operations Chapter 9 – Basic Business Operations Chapter 9 Discussion Problems 1-28-29-30-31-40-44 Chapter 16 Discussion Problems 4-7-9-11-25-31
Th 2-08	Chapter 18 – Nonliquidating Distributions Chapter 18 Review Problems will be assigned
Th 2-15	Chapter 19 – Corporate Formations
Th 2-22	Chapter 19 – Corporate Liquidations Purchase Price Allocations Chapter 19 Review Problems will be assigned Print IRS Form 8594 for Class Discussion
Th 3-01	EXAM 1 Chapter 17 – Accounting for Income Taxes Chapter 17 Discussion Problems 1-2-3-4-5-7-15-16-18
Th 3-08	Chapter 20 – Partnership Formations/Operations Chapter 20 Review Problems will be assigned
Th 3-15	SPRING BREAK
Th 3-22	Chapter 21 Partnership Distributions Research Paper 1 Due

<u>Date</u>	<u>Topic/Pages</u>
Th 3-29	Chapter 21 Continued Chapter 21 Review Problems will be assigned Chapter 22 – S Corporations
Th 4-05	Chapter 22 S Corporations Chapter 22 Review Problems will be assigned
Th 4-12	EXAM 2
Th 4-19	Chapter 25 Transfer Taxes
Th 4-26	Chapter 25 Continued Research Paper 2 Due Chapter 25 Review Problems will be assigned
Th 5-03	Financial and Estate Planning
Th 5-10	EXAM