

ACCT 551 – TAX RESEARCH

Fall 2023 – Session 2

Instructor: James R. Hamill, CPA, Ph.D.
James.Hamill@tamuc.edu

See instructor bio information on the course site (MyLeo)

Textbook: There is none. I will e mail handouts throughout the semester, including a PowerPoint deck dealing with Tax Research

Course Overview:

This course deals with tax research but also with professional practice issues in taxation. We will learn how to define a tax research problem, which authorities are relevant in addressing the issues, how to evaluate authorities, and how to communicate the results of your research. Practitioners are not in full agreement about these issues. I will distinguish between generally accepted approaches to research as well as my personal preferences. We will also study what professional standards have to say about conducting and communicating the results of tax research.

There are several “landmark” tax cases that you should know as a tax practitioner. These cases will be assigned to read, you will have to prepare a brief of the case, and to then discuss why this case is relevant to current day tax practice. These briefs will be part of the weekly “practice set” assignments discussed below.

There are also several sources of professional standards that apply to tax practice. These will be covered early in the class, will be part of your practice set assignments, and will form a basis for discussions and applications throughout the course.

There is no textbook for the course. You will need to be able to use both primary and secondary tax authorities. All course assignments, including both practice sets and research papers, will need to cite primary tax authorities in support of your answers or arguments. While your opinions are valued and appreciated as part of class discussions, professional tax communication is a more formal process and you need to cite primary authorities, and on rare occasions, secondary authorities, to support your discussions and conclusions.

Grading:

Grades will be a function of both formal research memos and smaller writing assignments. All assignments will involve writing. I will try to not be overly harsh in grading early assignments because I know that many students have never prepared a formal tax writing assignment. My expectations will rise as the semester goes on. The grades will be based on a total of 250 points as follows:

(2) Research Papers	90 points
(8) Assignments	160 points

There is no final exam. However, there will be a class meeting finals week.

Assignments: Research papers will be written based on a specific fact pattern, and will use a format appropriate to a client tax memorandum. **I will provide two fact patterns. However, you may select a topic** of interest to you and may also develop your own fact pattern. I recommend that you let me review the fact pattern to make sure it is appropriate. If you have an area of interest, but do not have a fact pattern, I can help you to develop one. There is no set length for a research memo. It should be as long as is needed to answer the issues that are raised by the fact pattern. The intent is to help you develop the skills that you will use as a tax practitioner. Research papers must be submitted in the assignment folder on D2L. This tells me when the assignment was submitted. If a paper is submitted late it cannot receive full credit. You should not submit your first draft of a research paper. Simple issues such as organization and grammar will not be of the quality expected for a client memo if you submit your first draft.

The shorter writing assignments will be designed to assist in developing skills to write a research memo. Many of these assignments will be “briefs” of court cases. Briefing a case is an important skill that will help you to identify the key elements of any authorities that you use on an actual research memo. The writing may be less formal and you can submit a first or second draft as long as it is clearly written. A brief should be sufficiently detailed that if you ever need to use that case in a formal memo you will never have to read the case again – your brief will have all the important issues that you would need to know.

Learning Objectives: At the end of this class you will be able to:

1. Identify professional responsibilities applicable to tax practice
2. Identify tax penalties applicable to professionals and clients
3. Distinguish primary and secondary tax authorities
4. Distinguish alternative methods of communication
5. Identify manner of citation of primary authorities
6. Determine how to locate primary and secondary tax authorities
7. Write using “power” sentences and active voice
8. Identify potential audiences for professional communications
9. Write using clear and concise language
10. Determine what constitutes substantial authority for tax purposes

Students with Disabilities:

If you have any disability that you believe could adversely affect your performance in this class please let me know by the end of the first week. TAMUC has an office that handles student disabilities and I rely upon their guidance and expertise in structuring an appropriate response to your individual situation. Please let me know of any special accommodations that you may require so I can work with the university authorities.

CPA Exam Candidates - State of Texas

Candidates who desire to sit for the CPA in Texas must meet the following educational criteria:

1) Have a bachelor's degree; 2) Completed 150 semester hours of courses; 3) Included in the 150 semester hours, 30 of upper level accounting courses. 24 hours of upper level business courses; 3-semester credit hours of approved ethics; 2-semester credit hours of approved communication and 2-semester credit hours of approved accounting research...THIS CLASS WILL SATISFY THE 2 HOURS OF ACCOUNTING OR TAX RESEARCH.. **You are no longer required to have any minimum number of hours in a face-to-face format.** For more information visit Exam/Qualification on the State Board's website: <http://www.tsbpa.state.tx.us/>

Other states are less restrictive; you may sit as a candidate in any state, get certified in that state, and then get reciprocal certification in Texas. If you are interested in that option please contact me for more information.

The Counseling Center at A&M-Commerce, located in the Halladay Building, Room 203, offers counseling services, educational programming, and connection to community resources for students. Students have 24/7 access to the Counseling Center's crisis assessment services by calling 903-886-5145. For more information regarding Counseling Center events and confidential services, please visit www.tamuc.edu/counsel

All assignments and research papers are posted to the assignment folder in MyLeo. In this class all submissions MUST BE TYPED.

ASSIGNMENTS

Assignment 1 – Prepare an outline of the differences between primary and secondary tax authorities. Explain the distinction, which may be cited in a memorandum, and give examples of each.

Assignment 2 – Prepare a brief of the court case, *South Dakota v. Wayfair*, which is a 2018 Supreme Court decision. You may need to read the earlier Supreme Court decision cited in *Wayfair* to get some context. Why did the court overturn a prior precedent?

Assignment 3 – Prepare a brief of the tax penalty issues (ONLY the penalty issue) in *Canal Corporation*, 135 TC 199 (2010), including addressing the ability to rely on outside tax advisors to avoid a penalty and why that reliance may not have been effective in the *Canal* case.

Assignment 4 – Prepare a brief of two cases: *Lucas v. Earl*, 281 US 111 (1930) and *Helvering v. Horst*, 311 US 112 (1940) and explain the end result for tax planners of these two decisions.

Assignment 5 – Prepare a brief of *Arrowsmith*, 344 US 900 (1952) and search for at least one recent tax issue (a fact pattern) that would use *Arrowsmith* to resolve the character of income. You must identify an example of the doctrine that one might see during tax filing season.

Assignment 6 – Prepare a brief of *Burnet v. Logan*, 283 US 404 (1931) and search for at least one tax issue that would require a business purpose. Look for statutory or regulatory language that addresses business purpose.

Assignment 7 – Prepare a brief of *Hospital Corporation of America*, 109 TC 21 (1997) and also research the IRS Audit Techniques for cost segregation studies (a google search should suffice) to see how the IRS views the HCA holding.

Assignment 8 – Read the preamble to a Treasury Regulation. You may pick the Section 199A regulations or the Section 1400Z-2 regulations. Then write a narrative explaining what a preamble is based on your “experience.” Are preambles long or short? Are they more or less clear than the regulations? Are they authoritative? If not authoritative, how would a preamble be used?

Research Paper 1 – The facts will be posted on D2L.

Research Paper 2 – The facts will be posted on D2L.

COURSE SCHEDULE BY WEEK (MONDAY TO FRIDAY)

Assignment due dates are FINAL due dates. The assignment folder will be set up in advance so you can always submit an assignment before the due date. This allows you to control the pace of the class, to some extent. I will not allow you to get too far ahead because it denies you access to feedback that will benefit future assignments. If there is no assignment folder on MyLeo then you will not be able to submit that assignment and I will control the assignment folders for that purpose.

I will be available for e mail responses to questions from Monday morning to Noon Friday. I make no commitment to being available on the weekend. You should plan your work schedule accordingly.

Week	Topic	Start Date	End Date	Materials/Assignments Bolded assignments submitted
1	Tax Research Authorities	M 10/23		Hamill PowerPoint Deck
	Tax Research Authorities Tax Responsibilities	Ongoing	F 10/27	Hamill PowerPoint Deck AICPA SSTS Assignment 1 – due F 10/27
2	Tax Responsibilities	M 10/30	F 11/03	AICPA SSTS Treasury Circular 230 Assignment 1 Discussion (Video) Assignment 2 – due F 11/03
	Writing a Tax Memo	Ongoing	Ongoing	Hamill Samples Assignment 2 Discussion (Video)
3	Writing a Tax Memo	Ongoing	F 11/03	Hamill Samples Assignment 3 – due F 11/10
	Review prior assignments	M 11/06	Ongoing	Assignment 3 Discussion (Video) Research Paper 1 Discussion (Video)
4	Help for next assignment	Ongoing	F 11/17	Assignment 4 – due M 11/20
	Help for next assignments	M 11/20		Assignment 4 Discussion (Video) Final Research Paper 1 Issues
5	Help for next assignment	Ongoing		Research Paper 1 Due W 11/22
	Help for next assignment	Ongoing		Assignment 5 – due M 11/27
6	Help for next assignment	Ongoing		Assignment 6 – due F 12/01
	Help for next assignment	Ongoing		Assignment 7 – due W 12/06
7	Help for next assignment	Ongoing		Assignment 8 – due M 12/11
	Review prior assignments	M 12/04	Ongoing	
8				Research Paper 2 Due Th 12/14