

Professor:	Gregory M. Kling, CPA, MST
Office Hours:	M / W 7:00 AM - 8:00 AM and by appointment
Class Meetings Date & Time:	March 7, 2015 – April 27, 2015 14140R: M / W 08:00 AM – 09:50 AM ACC 303 14141R: M / W 10:00 AM – 11:50 AM ACC 303
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Course Description

This course is the second tax course offered in a number of seven and one-half week courses for accounting majors. Together, these courses cover financial accounting, auditing, internal control, systems, and taxation. The focus of this course is tax issues for businesses. The topics include formation of a business entity, investing, financing, operations, and changing the form of the business entity. The purpose is to provide a more in-depth understanding of the role of taxes in business operations and to study advanced topics.

The materials used in this course include the tax law (the Internal Revenue Code), authoritative governmental regulations, and Internal Revenue Service rulings. We will learn to do basic research of tax issues using the sources. In addition, we will discuss several case studies which put the tax rules into specific business context.

Leventhal School of Accounting Learning Objectives: In this class, emphasis will be placed on the USC Leventhal School of Accounting learning objectives as follows:

Goal	Description	Course Emphasis
1	<i>Technical Knowledge:</i> Students will demonstrate technical proficiency in, and understanding of, what is taxable and deductible under U.S. tax laws (business taxpayers).	<i>High</i>
2	<i>Research, Analysis and Critical Thinking:</i> Students will demonstrate the ability to critically analyze, synthesize, and evaluate tax information for decision making in the local, regional and global business environment.	<i>Medium</i>
3	<i>Ethical Decision Making:</i> Students will demonstrate an understanding of ethics, ethical behavior and ethical decision making with respect to taxation issues.	<i>Medium</i>
4	<i>Communication:</i> Students will demonstrate the ability to communicate ideas on exams and in the class projects in a clear, organized and persuasive manner.	<i>High</i>
5	<i>Leadership, Collaboration and Professionalism:</i> Students will demonstrate leadership skills and the ability to work cooperatively to accomplish goals.	<i>Medium</i>

Course Format

This is a half semester, two-credit course. It consists of two class meetings per week. Regular class meetings will involve a variety of teaching methods including lecture, class work and discussion of problems.

Typical assignments for each class session include:

Background reading. Each assignment contains readings and references about tax law and their applicability. Readings are to be completed by the due date on the schedule.

Assignments – exercises, problems and projects. You cannot learn the tax law simply by reading; you need to grapple with the issues and the case problems yourself to really understand the concepts. You will have a variety of assignments almost every class. Assignments are important preparation for the class discussions and exams and remember to **ASK QUESTIONS** when things are not clear. Some assignments are reasonably straightforward, others are more challenging. In general, assignments are to be completed by the due date on the schedule unless clearly communicated otherwise by me.

Course Materials and Resources

Required Textbook

Pratt & Kulsrud; Corporate, Partnership, Estate & Gift Taxation, 2016 edition

Additional Resources

Internal Revenue Service Website: www.irs.gov

California Franchise Tax Board Website: www.ftb.ca.gov

Circular 230, which can be found on the IRS website at: <http://www.irs.gov/pub/irs-pdf/pcir230.pdf>

The text's Online Learning Center (www.prattkulsrud.com) is very useful. It provides supporting materials including check figures, quizzes and practice exams.

USC Blackboard Website

<http://blackboard.usc.edu>

As an enrolled student, you will automatically have access to your courses via USC Blackboard. Blackboard will continue all semester to be a valuable source of information.

Prerequisites and/or Recommended Preparation

Course Prerequisites: As stated on the USC website (see Schedule of Classes): The prerequisite for this course is ACCT 374.

Recommended Preparation: Be sure to complete the textbook reading assignment for the first class. In preparation for each class thereafter, be sure to complete the assigned textbook materials and complete the assigned homework. In addition, I recommend that you download a copy of Circular 230 from the IRS website (see link above), and become acquainted with its contents, the various standards in Tax Practice, including (but not limited to) ethical and professional standards; which can generally be found in "Subpart B" of Circular 230.

Class Notes/ No recording and copyright notice

Notes or recordings made by students based on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university. This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. Actions in violation of this policy constitute a violation of the Student Conduct Code, and may subject an individual or entity to university discipline and/or legal proceedings.

It is a violation of USC's Academic Integrity Policies to share course materials with others without permission. No student may record any lecture, class discussion or meeting with me without my prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. I reserve all rights, including copyright, to my lectures, course syllabus and related materials, including summaries, PowerPoints, prior exams, answer keys, and all

supplementary course materials available to the students enrolled in my class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and me.

Course Grading:

Your performance in this course will be evaluated based on assignments, individual attendance and participation, and examinations. A total of 500 points can be earned in this course. A student's grade will be based on the total points earned. The 500 points are assigned as follows:

First midterm exam	20%	100
Second midterm exam	20%	100
Final exam	35%	175
In-class tax return presentations (group project), 25 points each	15%	75
Class participation, attendance & homework	<u>10%</u>	<u>50</u>
	<u>100%</u>	<u>500</u>

Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance. Historically, the average grade for this class is about a B+ (3.3). Three items are considered when assigning final grades:

1. Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. The overall average percentage score within the class.
3. Your ranking among all students in the class.

Tax return presentations

One of the objectives of this course is to help you practical apply the material that we are studying. Another objective of this course is for you to collaborate with others, similar to circumstances you will find in your public or private accounting careers. You will choose or be assigned to a group for the tax return presentations and comprehensive tax return problem.

At the end of each section (i.e., C corporations, partnerships and S corporations) you will be given a set of facts so that your group can prepare a basic tax return. The basic tax return will be reviewed during the class as indicated in the syllabus and your group may be called on to present its return. Each group will turn in a tax return in order to earn credit. Late assignments will not be accepted.

You must be present on the day of the class discussion (unless you have an emergency or legitimate unscheduled conflict) to receive credit for the in-class tax return presentation, regardless if you participated in preparing the basic tax return. Additionally, each of you will attest in writing that you adequately participated in the group project. Additional details will be provided in class.

Homework: Some of the assigned class-by-class homework may be randomly collected and graded. In order for you to receive credit for your homework assignments, they are due on the day indicated on the class schedule (located later in this syllabus). Assignments may be turned in electronically, in which case they must be received by me no later than the date due, as of the beginning of the class. If not received by that date/time, they will not be given credit.

Participation: In this course, participation plays a substantial role and the course is more rewarding if everyone contributes to the learning environment. Your contribution includes, among other things, participating in class discussions, answering questions, presenting homework, integrity, attendance, attentiveness and punctuality. Please keep in mind that solely turning in your homework is not a sufficient substitute for participation.

Midterm and Final Examinations: The examinations account for 75% of the total course points. The primary content of these exams is from the course text, handouts, and lectures. Details about the format will be announced in class near the exam dates.

Because of our commitment to providing you with adequate feedback and the large number of students taking this course, you should not expect instantaneous grading of your midterm exams. Grades on your midterm should be available, however, within two weeks after the testing date. Midterm exams are not returned to the students, but will be available for review during office hours.

Final exams, which must be graded quickly due to the need to report grades to the University, are not returned to students. Should you have any questions about your final exam grade, request an appointment with me to review your exam in the first month of the following semester.

Make-up Exam Policy: It is to your advantage to take all exams at their scheduled times. Only in the case of a well-documented, true emergency can an exam be missed. **Make up exams will not be given for non-emergency reasons.** Please be sure to get your prior approval. Exams missed without my prior approval or without adequate documentation of the reason for missing the exam will result in a recorded grade of zero for the missed exam. All students must take the final exam as scheduled unless an incomplete contract has previously been approved according to Leventhal School of Accounting regulations (see School of Accounting standards at the end of this syllabus). A conflict with your travel plans is not sufficient reason for an incomplete or a request to take an exam at another time.

You must notify me by Monday, March 21, 2016 if you have any commitments that conflict with either or both of the two midterm dates. Notifications received after March 21st may not be considered and you will be expected to take the exams at the assigned times or receive a zero.

As noted above, the final exam must be taken as scheduled (see last page of this syllabus for exam date/time).

Students With Disabilities

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. **This notification should be delivered to me as early in the semester as possible, no later than Monday, March 21, 2016.** DSP is located in STU 301 and is open 8:30 a.m. – 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.

Academic Conduct

Discrimination, sexual assault, and harassment are not tolerated by the University. You are encouraged to report any incidents to the *Office of Equity and Diversity* <http://equity.usc.edu/> or to the *Department of Public Safety* <http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us>. This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report or can initiate the report on behalf of another person. *The Center for Women and Men* <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage sarc.usc.edu describes reporting options and other resources.

Academic Integrity

Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with major consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

Ethics and values are very important. We will consider ethical issues in tax matters throughout this course. As an instructor, I will assume, unless there is evidence to the contrary, that you are an ethical student. To help you fulfill your ethical responsibilities, below are the ethical standards for ACCT 474 students.

In-class examinations: All exams must be the exclusive work of the individual student. No student may share the exam contents with another student until exam grading has been fully completed.

If you know that another student is violating these standards: Allowing another student to obtain course points by deceit contributes to a general lowering of the ethical standards of the University and contributes to deception of potential employers and other academic institutions. You and your student colleagues have an obligation to take action when you know another student is violating the course's academic integrity standards. This is a difficult personal trial to face, but it is an important part of your ethical obligation as a student. If you know that another student is violating the standards, it is your responsibility to inform the student's instructor. See the latest edition of *SCampus* for a discussion of academic integrity violations. In this course, academic integrity violations generally will be penalized with a grade of F for the course.

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code. Students are responsible for obtaining, reading, and understanding the Honor Code System handbook. Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook. For more specific information, please refer to the Student Honor Code System handbook, available from the receptionist in ACC 101.

Support Systems

A number of USC's schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students. *The Office of Disability Services and Programs* http://sait.usc.edu/academicssupport/centerprograms/dsp/home_index.html provides certification for students with disabilities and helps arrange the relevant accommodations.

Drops and Adds

If you are considering dropping the class, be sure to note the drop dates published in the USC Catalog. If you do decide to drop the course, please let me know immediately.

Additionally, if you are absent four or more times prior to Monday, April 18, 2016 (the last day to withdraw from the course with a grade of "W"), I may ask you to withdraw from the class by that date. These policies maintain professionalism and ensure a system that is fair to all students.

Emergency Preparedness

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

MARSHALL SCHOOL OF BUSINESS RETENTION OF GRADED PAPERS POLICY

The following policy is to be followed by all instructors of undergraduate and graduate courses within the School:

Student records for all undergraduate Marshall School of Business and Leventhal School of Accounting courses (all materials on which grades have been based, if not returned to students) must be retained by the instructor for a minimum of one additional semester (excluding summer semester) following the student's receipt of a letter grade of A, B, C, D, F, or C/NC, or P/NP.

Additionally, all professors should retain their grade books for a period of two years in case they need to verify a student's attendance and grade received for retroactive changes of program (late adds or drops). If a student appeals a course grade, the instructor must retain the student's paperwork until all levels of the appeals process have concluded. If a student receives an "incomplete" in a course, the instructor must retain the student's paperwork until all requirements for the course have been completed, a grade has been assigned and one additional semester has passed (excluding summer semester).

- Returned paperwork, if unclaimed by a student, will be discarded after four weeks.
- For grades received in spring or summer--retain paperwork until end of finals in following December; for grades received in fall--retain paperwork until end of finals in following May.

LEVENTHAL SCHOOL OF ACCOUNTING POLICIES AND PROCEDURES

The Leventhal School of Accounting adheres strictly to the grading standards of the University and the Marshall School of Business. Additionally, the Leventhal School of Accounting has supplemented those standards with certain others. For students' convenience, and to prevent misunderstanding, these additional standards are summarized below.

GRADING STANDARDS

The following grades are used: A - excellent; B - good; C - fair; D - minimum passing; F - failure. The grade of F is awarded for failing work at the end of the semester. The assignment of minuses and pluses when earned is required.

The grade of W (Withdraw) is assigned if the student officially withdraws after Tuesday, March 15th but before Monday, April 18th. No withdrawals will be permitted after Monday, April 18th except by student petition to the University's Committee on Academic Policies and Procedures.

Students may elect to audit courses during the first three weeks of the semester. A course taken for audit (V) will be assessed at the current tuition rate. A course taken for audit (V) will not receive credit and will not appear on the USC transcript or grade report. Under no circumstances will the University allow a change in the registration status of a course from letter grade or credit to audit (V) or vice versa after the third week of a given semester.

The grade of IN (Incomplete, i.e., work not completed because of documented illness or some other emergency occurring after the twelfth week of the semester) is reserved for those highly unusual cases where, due to circumstances judged fit by the Dean of the Leventhal School of Accounting, the student is unable to complete a specified single item of the course requirements by the time final grades are submitted.

IN grades can be removed only by the student completing the missing requirements of the course to the satisfaction of the instructor.

Marks of IN in courses numbered below 500 must be removed by the end of the semester following the one in which the mark of IN was assigned. If not removed within the specified time limit, marks of IN automatically become marks of IX (expired incomplete), with the exception of thesis and dissertation, and compute in the GPA as an F. A student may remove the IN only by completing the work not finished as a result of illness or emergency. It is not

possible to remove an incomplete by registering for the course again. Previously graded work may not be repeated for credit.

OTHER ACADEMIC STANDARDS

1. The ability of students to write clearly and concisely is a necessary prerequisite to success in accounting work. Accordingly, students will be required to demonstrate writing capability in all accounting courses. This is accomplished through the inclusion of essay-type questions on course examinations and/or through written, individual case assignments.
2. No unregistered students are permitted to attend accounting classes regularly.

ACCT 474 Spring 2016
Class and Assignment Schedule

<u>Class #</u>	<u>Date</u>	<u>Topic To Be Covered</u>	<u>Reading Assignment</u>	<u>Homework from Textbook (See Page 3 of Syllabus)</u>
1	3/7/2016	C Corporation Formation	Pp 1-1 to 1-6 Pp 2-1 to 2-34	
2	3/9/2016	C Corporation Tax Issues	Pp 1-7 to 1-48	1-24, 1-26, 2-17, 2-32
	3/14/2016 3/16/2016	SPRING BREAK - NO CLASS		
3	3/21/2016	C Corporation Distributions	Pp 3-1 to 3-27	3-15, 3-18, 3-22, 3-23
4	3/23/2016	C Corporation Tax Return		In Class presentation and discussion
5	3/28/2016	First In-Class Midterm (1 hr)		
6	3/30/2016	Partnership Formation	Pp 9-1 to 9-16	9-20, 9-21, 9-22
7	4/4/2016	Partnership Tax Issues	Pp 9-16 to 9-40	9-23, 9-28, 9-36
8	4/6/2016	Partnership Distributions	Pp 10-1 to 10-39	10-22, 10-30, 10-33
9	4/11/2016	Partnership Tax Return		In Class presentation and discussion
10	4/13/2016	S Corporation Formation	Pp 11-1 to 11-32	11-2, 11-7, 11-14, 11-15
11	4/18/2016	2nd In-class Midterm (1 hr)		
12	4/20/2016	S Corporation Tax Issues	Pp 11-33 to 11-41 Pp 12-11 to 12-19	11-20, 11-21, 11-22
13	4/25/2016	S Corporation Distributions	Pp 11-41 to 11-42 Pp 12-1 to 12-11 Pp 12-20 to 12-27	11-32, 12-16, 12-20
14	4/27/2016	S Corporation Tax Return		In Class presentation and discussion
FINAL EXAM	05/09/16	Location To Be Determined 05/09/16 at 11:00 AM to 1:00 PM (8 am section) OR 05/09/16 at 8:00 AM to 10:00AM (10 am section)		