

Professor:	Gregory M. Kling, CPA, MST
Office Hours:	M / W 12:30 PM - 1:30 PM, and by appointment
Class Meeting Date & Time	January 9, 2017 – March 2, 2017 14060R: M / W 2:00 – 3:50 PM ACC 310 14061R: M / W 4:00 – 5:50 PM ACC 310
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Course Description

This course is the first 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 basic tax issues for taxpayers including individuals and businesses. The topics include basic income tax computation, income definition, property transactions, taxes and investment and financing decisions, etc. The purpose is to provide a basic understanding of the role of taxes in decision-making and to prepare students for advanced topics in the second tax course.

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:

<u>Goal</u>	<u>Description</u>	<u>Course Emphasis</u>
1	<u>Technical Knowledge:</u> Students will demonstrate technical proficiency in, and understanding of, what is taxable and deductible under US tax laws (individual taxpayers).	<i>High</i>
2	<u>Research, Analysis and Critical Thinking:</u> 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	<u>Ethical Decision Making:</u> Students will demonstrate an understanding of ethics, ethical behavior and ethical decision making with respect to taxation issues.	<i>Medium</i>
4	<u>Communication:</u> 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	<u>Leadership, Collaboration and Professionalism:</u> 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. 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. So, you will have a variety of assignments almost every class. Assignments are important preparation for the class discussions and exams, but 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 the instructor.

Course Materials and Resources

Required Textbook

Hoffman/Young/Raabe/Maloney/Nellen, South-Western Federal Taxation: Individual Income Taxes, 2017 edition (Loose Pages with Access to CengageNow v2). ISBN: 9781337492805

Due to numerous tax law changes regarding individuals, it is strongly recommend that all students have the 2017 version of the text and not use years prior to 2017.

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.cengage.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 and a means for you to interact with classmates and your instructor.

Prerequisites and/or Recommended Preparation

Course Prerequisites: As stated on the USC website (see Schedule of Classes): The prerequisite for this course is one from the following: BUAD 250b or BUAD 281 or BUAD 285b or BUAD 286b or BUAD 305.

Recommended Preparation: Be sure to complete the textbook reading assignment and complete the homework assignments as per the syllabus. 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 syllabi 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 will be evaluated based on homework, 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 (cumulative)	30%	150
Research problems (group projects), 25 points each	10%	50
Tax return problem (group project)	10%	50
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.

Group projects: 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 research problems and comprehensive tax return problem.

The problems will be reviewed during the class as indicated in the syllabus and your group may be called on to present its answer. Each group will turn in their work 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 group projects, regardless if you participated in preparing them. 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 will be randomly collected and graded. In order for you to receive credit for your homework assignment, 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 the instructor 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 is contributing to the learning environment. Your contribution includes, among other things, participating in class

discussions, answering questions, presenting homework, integrity, attendance and attentiveness and punctuality. Please keep in mind that turning in your homework is not a sufficient substitute for absence or non-participation.

Midterm and Final Examinations: **For a variety of reasons, Make-up Exams will not be given, except as noted below.** The examinations account for 70% of the total course points. The primary content of these exams is from the course text, handouts, online research materials, and lectures. Details about the format will be announced in class near the exam date.

Because of our commitment to providing you with adequate feedback and the large numbers of students taking this course, you should not expect instantaneous grading of your midterm exams. Grades on your midterm should be available, however, by two weeks after the testing date. Midterm exam are not returned to students.

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 your instructor 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 may an exam be missed. **Make up exams will only be given for emergency reasons.** You must get your instructor's prior approval. Exams missed without the prior approval of the instructor 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. A conflict with your travel plans is not sufficient reason for an incomplete or a request to take an exam at another 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 the instructor as early in the semester as possible—no later than TWO WEEKS before any examination.** 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/departments/departments-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 374 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 in class or 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/academicsupport/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 six or more times prior to Tuesday, February 14, 2017 (the last day to withdraw from a 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 student 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 such as quizzes completed for ACCT 374, 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 School of Business Administration. 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, January 17th but before Tuesday, February 14th. No withdrawals will be permitted after Tuesday, February 14th 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.

Session Dates (Session Code 431)

First day of classes:

Monday, January 9, 2017

Last day to add:

Tuesday, January 17, 2017

Last day to drop without a mark of "W" and receive a refund:

Tuesday, January 17, 2017

Last day to withdraw without a "W" on transcript or change pass/no pass to letter grade:

Tuesday, January 31, 2017

Last day to drop with a mark of "W":

Tuesday, February 14, 2017

End of session:

Thursday, March 2, 2017

ACCT 374 Spring 2017

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	01/09/17	Introduction To Tax Law	Pages 1-1 to 1-34	
2	01/11/17	Working with the Tax Law Tax Formula and Tax Determination; Overview of Property Transactions	Pages 2-1 to 2-32, Section 2-5 (Taxation on the CPA Examination) Pages 3-1 to 3-37	Ch 2 #37 and 41 Ch 3 # 2, 11, and 30
3	01/16/17	Holiday – no class		
4	01/18/17	Gross Income	Pages 4-1 to 4-30	Ch 4 #20, 22, 26, and 31
5	01/23/17	Gross Income - Exclusions	Pages 5-1 to 5-28	Ch 5 #22, 25, and 28 Ch 4 Research Problem 1 (page 4-49)
6	01/25/17	First In-Class Midterm (1 hr)		
7	01/30/17	Deductions and Losses - In General and Certain Business Expenses	Pages 6-1 to 6-28 Pages 7-1 to 7-25	Ch 6 #26 and 34 Ch 7 #21, 24, and 37
8	02/01/17	Depreciation, Amortization, and Depletion	Pages 8-1 to 8-25	Ch 8 #22, 23, 26, 33, and 46
9	02/06/17	Deductions – Itemized	Pages 10-1 to 10-30	Ch 10 #22, 25, and 33
10	02/08/17	Deductions – Employee and Self- Employed	Pages 9-1 to 9-33	Ch 9 #17, 22, 24, 29, and 43 Ch 10 Research Problem 1 (page 10-47)
11	02/13/17	2nd In-class Midterm (1 hr)		
12	02/15/17	Property Transactions - Gain or Loss; Basis Determination Property Transactions - Nontaxable	Pages 14-1 to 14-19 Pages 15-1 to 15-21	Ch 14 #20 and 22 Ch 15 #17, 21, and 51
13	02/20/17	Holiday – no class		
14	02/22/17	Property Transactions Capital Gains and Losses Property Transactions - Section 1231 and Recapture Provisions	Pages 16-1 to 16-36 Pages 17-1 to 17-13	Ch 16 #12, 15, 17, 28, and 34 Ch 17 #21 and 34
15	02/27/17	Property Transactions - Section 1231 and Recapture Provisions Alternative Minimum Tax	Pages 17-14 to 17-27 Pages 12-1 to 12-24	Ch 17 #26, 41, and 47 Ch 12 #21, 26, 41, 44, and 52 Tax Return Problem Due
FINAL EXAM	03/01/17	Taken during normal class session (1 hr 30 min)		