

**560T TAX THEORY AND ETHICS****FALL 2015**

JOHN J. BARCAL, JD, (CPA Certificate from Illinois)

CALIF. BAR - CERTIFIED SPECIALIST - TAXATION

- CERTIFIED SPECIALIST - ESTATE PLANNING, PROBATE AND TRUST

THE STATE BAR OF CALIFORNIA BOARD OF LEGAL SPECIALIZATION

CLASS TERM: **August 24 - December 16, 2015**CLASS HOURS: **W 6:30- 9:30 PM JKP 202 Section #14232R**

OFFICE: ACC 207 TELEPHONE: 213-740-4874 or 740-4838

OFFICE HOURS: **W 5:00-6:00 PM; W 9:30 - 10:30 PM, or by appt**

EMAIL: jbarcal@marshall.usc.edu

USC Emergencies 213-740-4321, USC Public Safety-Non Emergencies 213-740-6000

USC Emergency Info Line 740-9233, USC Info Line 740-2311, KUSC Radio 91.5 FM

**COURSE ORGANIZATION AND OBJECTIVES****Recommended Preparation:** Introductory tax course**Text:** Fundamentals of Federal Income Taxation, by Freeland, Lind, and Stephens (17th edition 2013 -note: prior editions are not acceptable) (Codes may be available online at [www.tax.cchgroup.com](http://www.tax.cchgroup.com))**Student Obligations:**

1. **ATTEND ALL CLASSES.** (No make-up exams will be given). Unexcused absence from an exam results in a grade of -0- for that exam unless preapproval by instructor, or illness and doctor's letter.

2. **BRIEF CASES AND PROBLEMS** for class, although these are not to be handed in to the instructor. I will ask students to show me one or more of their case briefs.

You will not know which cases I will ask to see beforehand. Assigned problems are not to be handed in and will not be graded. They may be discussed often in a later session so it is suggested that you make notes in the textbook, or elsewhere, and that you have your notes readily available. Please remember that this counts as part of your class participation.

3. **MANDATORY STUDY GROUPS** Students must form mandatory study groups of 3 to 5 students. The purpose of the study groups is so that if you have a question, you discuss it with your study group first; and then, if a question still exists, I will be happy to help. However, prior to answering your question, I will automatically ask you if you discussed the question within your study group. If not, I will not discuss the question with you until you have done so. The reason for this requirement is that students benefit tremendously when discussing the cases or other questions within their group

4. **HONOR CODE** Students should be familiar with the Honor Code and its applications.

5. **ACADEMIC ACCOMMODATIONS** 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. Please deliver the letter to me and a copy to the Leventhal Graduate Programs Office as soon as possible so that we may arrange for accommodations. 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.

**Examinations:** There will be a midterm and a final consisting of problems and essays to be supported by code, reg., and case citations, and case matching. A student's graded work and exams are available for viewing by the student, but are not returned to the student. Instructor retains exams for 1 year from the date of the end of the course after which they are destroyed.

**Composition of Final Grade:** Final grades will be assigned as follows  
(approximate percentages):

Assigned problems & Class performance	10%
Matching	25%
Midterm	25%
Final	40%
TOTAL	100%

We adhere to the USC Leventhal School of Accounting and Marshall School of Business grading standards for graduate programs. In general, final course grades at the graduate level in a core course average approximately B+ (3.3), but may vary based on class performance. For elective courses, the class average is usually higher—approximating 3.5, which is between a B+ and an A-. You must receive a C or better to pass a required class, and you must have an overall B average (3.0 minimum) in order to graduate from USC.

#### IMPORTANT DATES— Fall Semester 2015

Aug. 24	Fall semester classes begin in Session 001
Sept. 7	Labor Day, university holiday
Sept. 11	Last day to register and add classes for Session 001
Sept. 11	Last day to drop a class without a mark of "W" except for Monday-only classes, and receive a 100% refund for Session 001
Sept. 15	Last day to drop a Monday-only class without a mark of "W"
Oct. 9	Last day to drop a class with a mark of W for Session 001
Nov. 25-28	Thanksgiving recess
Dec. 4	Fall semester classes end
Dec. 5-8	Study days
Dec. 9-16	Final examinations
Dec. 17-Jan. 10	Winter recess

**Course Objectives:** Provide a basic but in depth course in federal tax theory such that students become proficient in the area and are able to spot issues, provide citations, and explain their reasoning in excellent English prose. In addition, knowledge and recall of the facts and names of these landmark cases are intended to benefit students in future courses and the tax profession.

#### NO RECORDING AND COPYRIGHT NOTICE

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.

**GRADUATE PROGRAM STUDENT LEARNING OUTCOMES**

Below are the five Student Learning Outcomes developed for this program by the USC Leventhal faculty and administration and filed with the AACSB, the accrediting body for accounting and business schools. This course will deal primarily with Outcomes #1 and #2. To a lesser extent, this course will help you meet Learning Outcomes #3 and #4.

**1. Technical, Conceptual, Problem-Solving**

Students will be competent in and be able to apply discipline-specific knowledge and skills in the fields of accounting or taxation. This learning outcome includes the development of critical thinking and problem-solving skills, as well as an understanding of the strategic role of accounting and taxation in business organizations and society.

- MBT specific—Apply critical thinking and problem-solving skills related to taxation of individuals, flow-through entities, and corporations. Recognize potential opportunities for tax savings and tax planning.

**2. Professional Development**

Students will be able to communicate clearly and strategically, after considering the relevant audience, situation, and purpose of the communication. Students will demonstrate the ability to work productively with others to accomplish established goals.

- MBT specific—Convert complex and technical tax terminology into language that translates to non-technical audiences. Demonstrate strong interpersonal communication skills that build relationships with clients over time. Document exchanges with careful attention to word choice, tone, and accuracy.

**3. Research/Life-Long Learning**

Students will be able to use relevant research databases and academic/professional literature to gain new knowledge and analyze business situations.

- MBT specific—Use computer-based and paper-based systems to thoroughly research tax codes, tax law, rulings and interpretations. Use knowledge to be able to adjust to changes in tax law over time.

**4. Ethical Principles and Professional Standards**

Students will be able to apply ethical principles and professional standards in analyzing situations and making informed decisions.

- MBT specific—Demonstrate understanding of and apply consistently the ethical principles and professional standards related to the profession. Show the ability to express and follow rules of independence and the highest sense of professional ethics.

**5. Globalization and Diversity**

Students will be able to demonstrate an international perspective and appreciation for diversity and cultural differences, along with their significance in global business.

- MBT specific—Explain key differences in taxing policies related to expatriates and the countries they live and work in. Reflect on cultural and ethnic differences in approaches to business and taxation policies.

**ACADEMIC CONDUCT**

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.

**Plagiarism** - presenting someone else's ideas as your own, either verbatim or recast in your own words - is a serious academic offense with serious 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/>.

**SUPPORT SYSTEMS**

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](http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html) provides certification for students with disabilities and helps arrange the relevant accommodations.

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

**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 <https://sarc.usc.edu/reporting-options/> describes reporting options and other resources.

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<b>CLASS</b>	<b>DATE</b>	<b>READING ASSIGNMENTS FREELAND, LIND, STEPHENS</b>	<b>PROBLEM ASSIGNMENTS</b>
1	8/26/15	CH. 1, 2 CH 28, 29 & 30	P. 54 ##1,2,5 P. 57 ## 1,2
2	9/2/15	CH. 3, 4, & 5	P. 77 #1; P. 92 ##2,3 P. 100 ##1,2
3	9/9/15	QUIZ 1 - MATCHING CH 2-5 CH. 6, 7, 8, 9 all Read 10 lightly	P. 106 #1; P. 113 ##1,2 P. 118 #1; P. 135 ##1,2,3 P. 140 ##2,3 P. 162 ##1,2,3; P. 175 #1
4	9/16/15	CH. 11(IRC 121 only) 12 (important)	P. 198 #1 P. 238 #1; P. 255 ##1,2,3
5	9/23/15	QUIZ 2 - MATCHING CH 2-12 CH. 13	P. 270 ##1,2 P. 277 ##1,2
6	9/30/15	CH. 14	P. 330 #1; P. 347 #5 P. 358 #1; P. 365 ##1,2,3
7	10/7/15	CH. 14 (cont) & 15	P. 425 ##1,3; P. 433 ##1,2
8	10/14/15	CH. 16, 17, 18 (read only cases & Rev Rul)	P. 465 ##1-4; P. 490 ##1,2,3
9	10/21/15	MID-TERM EXAM	MATCHING CH 2-14 + ESSAY QUESTIONS
10	10/28/15	QUIZ 3 - MATCHING CH 2-18 CH. 19	P. 573 ##1,2 P. 602 ##1,2,3,4
11	11/4/15	CH. 20 (OMIT 618-626) CH. 21	
12	11/11/15	QUIZ 4 - MATCHING CH 2-21 CH. 22 CH. 23	
13	11/18/15	CH. 24 (OMIT 793-801) & 25 CH. 26 (OMIT CH. 27)	P.783 ##1,2,3
	11/25/15	NO CLASS THANKSGIVING BREAK	11/25-28/15
14	12/2/15	REVIEW	
	12/9/15	<b>FINAL EXAM 7:00 - 9:00 PM</b>	

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**I** ISSUES MUST BE SPOTTED

**Q** QUESTION EVERYTHING COURT OR JJB SAYS

**A** ARGUE FOR T, ARGUE FOR IRS - RE SAME ISSUE

**N** NAME AND MAIN RULE OF CASE MUST BE MEMORIZED

**D** DEFEND YOURSELF

**S** SPEAK AND WRITE THE KING'S ENGLISH

**A** ASK FOR ADDITIONAL FACTS & WHAT RELEVANCE THEY'D HAVE

**S** BE SNEAKY & CREATIVE

**S** SMILE & HAVE FUN

**I** ISSUES

**R** RULES

**A** ARGUMENTS

**C** CONCLUSIONS

STUDENT INFORMATION SHEET \*\*

LAST NAME: \_\_\_\_\_ OFFICE PHONE: \_\_\_\_\_

FIRST NAME: \_\_\_\_\_ HOME PHONE: \_\_\_\_\_

CELL PHONE: \_\_\_\_\_

email: \_\_\_\_\_

EXPERIENCE

POSITION: \_\_\_\_\_

FIRM NAME: \_\_\_\_\_

FIRM ADDRESS: \_\_\_\_\_

\_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PRIOR TAX COURSES:

UNIVERSITY	CLASS TITLE	INSTRUCTOR	GRADE
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UNDERGRAD UNIVERSITY AND MAJOR: \_\_\_\_\_

\*\* Student must print form, fill in, and hand in for 1<sup>st</sup> class.