

USC Leventhal

School of Accounting

ACCT 560T – Tax Theory and Ethics
Fall 2017 / Section # 14231D / Aug 21 – Oct 13
M/W 2:00 – 4:50 p.m. JKP 202

Accelerated Course Syllabus

The goal of this course is to provide a basic, but comprehensive, overview of the theory of the federal tax system (as opposed to accounting principles) and the ethics of working within the system.

RECOMMENDED PREPARATION: Introductory tax course

INSTRUCTOR: John J. Barcal, J.D., (CPA Certificate from Illinois)
California State Bar
-Certified Specialist – Taxation;
-Certified Specialist – Estate Planning, Probate and Trust
Associate Professor of Accounting
Leventhal School of Accounting
University of Southern California
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Los Angeles, CA 90089-0441

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Phone: 213-740-4874 or 213-740-4838
Office Hours: M 12:30 – 1:30 p.m. or By appointment

EMERGENCY NUMBERS: USC Emergencies: 213-740-4321
USC Public Safety—Non Emergencies: 213-740-6000
USC Emergency Information Line 740-9233
USC Information Line 740-2311
KUSC Radio 91.5

TEXT: **Fundamentals of Federal Income Taxation**, 18th Edition.
Freeland, Lathrope, Lind and Stephens
Foundation Press (2016) **Prior editions are not acceptable**

IMPORTANT DATES

| | |
|---------|--|
| 21 Aug | First day of Classes |
| 29 Aug | Last Day to Drop without “W” Day |
| 4 Sept | USC Holiday—Labor Day |
| 25 Sept | DROP DAY—Last day to drop a class with mark of “W” |
| 11 Oct | Final Exam |

USC LEVENTHAL MASTERS PROGRAMS LEARNING OUTCOMES:

The following 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.

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

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 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 Requirement*

Students will be able to communicate clearly, and strategically, after considering the relevant audience, situation, and purpose of the communication. Students will develop 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 Requirement*

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 Requirement*

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 Requirement

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.

COURSE LEARNING OUTCOMES:

By the end of this course, students will be able to:

- Separate relevant federal income tax issues in court opinions
- Examine Internal Revenue Code sections
- Analyze facts patterns and apply the applicable federal income tax rules
- Argue federal income tax positions on behalf of the taxpayer and on behalf of the IRS, with supporting facts, authority (code cases, regulations, revenue rulings) and ethical considerations
- Develop a method to recognize facts and names of over 100 landmark federal income tax cases
- Evaluate ethical principles and professional standards in analyzing tax situations and making informed decisions
- Apply course concepts through interaction and discussion with other students

GRADES:

| | |
|---|-------|
| Briefing of Cases; Assigned problems; Class Performance | 10% |
| Matching Quizzes | 25% |
| Midterm | 25% |
| Final | 40% |
| | ----- |
| Total | 100% |

GRADING POLICIES:

This course adheres 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 (approximately 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. The graded elements of this course are listed in this syllabus along with information about how they will be evaluated.

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.

RETENTION OF GRADED PAPERS:

Final exams and other graded work that affected the course grade will be kept for one year. Other papers or work that are handed back but that students fail to pick up will be held for one month.

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 Part B, Section 11, “Behavior Violating University Standards” <https://policy.usc.edu/scampus-part-b/>. 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

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

<https://engemannshc.usc.edu/counseling/>

National Suicide Prevention Lifeline - 1-800-273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

Student Support & Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

Diversity at USC – <https://diversity.usc.edu/>

Tab for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC's Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.

STUDENTS WITH DISABILITIES:

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP provides certification for students with disabilities and helps arrange the relevant 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 be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

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.

560T TAX THEORY AND ETHICS**FALL 2017 ACCELERATED**

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 | DATE | READING ASSIGNMENTS FREELAND, LIND, STEPHENS | PROBLEM ASSIGNMENTS |
|--------------|-------------|---|---|
| 1 | 8/21/17 | CH. 1, 2 CH 28, 29 & 30 | P. 62 ##1,2,5 P. 66 # 1,2 |
| 2 | 8/23/17 | CH. 3, 4, & 5 | P. 89 #1; P. 106 ##2,3,4 P. 117 ##1,2 |
| 3 | 8/28/17 | QUIZ 1 - MATCHING CH 2-5 CH. 6, 7, 8, 9 all Read 10 lightly | P. 124 #1; P. 132 ##1,2 P. 137 #1; P. 158 ##1,2,3 P. 164 ##2,3 P. 188 ##1,2,3; P. 203 #1 |
| 4 | 8/30/17 | CH. 11(IRC 121 only) 12 (important) | P. 229 #1 P. 274 #1; P. 294 ##1,2,3 |
| | 9/4/17 | NO CLASS | LABOR DAY |
| 5 | 9/6/17 | QUIZ 2 - MATCHING CH 2- 12 CH. 13 | P. 312 ##1,2 P. 320 ##1,2 |
| 6 | 9/11/17 | CH. 14 | P. 383 #1; P. 403 #5 P. 416 #1; P. 424 ##1,2,3 |
| 7 | 9/13/17 | CH. 14 (cont) & 15 | P. 490 ##1,3; P. 501 ##1,2 |
| 8 | 9/18/17 | MID-TERM EXAM | MATCHING CH 2-14 + ESSAY QUESTIONS |
| 9 | 9/20/17 | CH. 16, 17, 18 (OMIT 617-628)) | P. 545 ##1-4; P. 575 ##1,2,3,4 |
| 10 | 9/25/17 | QUIZ 3 - MATCHING CH 2- 18 CH. 19 | P. 672 ##1,2 P. 704 ##1,2,3,4 |
| 11 | 9/27/17 | CH. 20 (OMIT 724-733) CH. 21 | |
| 12 | 10/2/17 | QUIZ 4 - MATCHING CH 2- 21 CH. 22 CH. 23 | |
| 13 | 10/4/17 | CH. 24 (OMIT 921-931) & 25 CH. 26 (OMIT CH. 27) | P. 910 ##1,2,3 |
| 14 | 10/9/17 | Review | |
| | 10/11/17 | FINAL EXAM 2:00-4:00 PM | |

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 |
|------------|-------------|------------|-------|
|------------|-------------|------------|-------|

UNDERGRAD UNIVERSITY AND MAJOR: _____