

# USC Leventhal

## School of Accounting

### SYLLABUS

#### ACCT 561T – INCOME TAXATION OF CORPORATIONS AND THEIR SHAREHOLDERS

Fall 2020 / Oct 5 – Nov 24

3.0 Units

**Section 14266D ONLINE MEETING – Tuesdays and Thursdays 9:30 a.m. – 12:20 p.m.  
PDT via Zoom**

This course offers concepts and principles governing the taxation of corporations and their shareholders and the effect of taxes on corporate formation, capital structure, distributions, and liquidations.

#### **COURSE STRUCTURE:**

**This course is taught in a flipped classroom format using videos and self-assessment exercises that are available on Blackboard. In the flipped classroom format, students do the assigned readings, view the assigned videos, and complete the self-assessment exercises PRIOR to attending the class session.**

**Students will attend each class session through a Zoom meeting at the time and date indicated on the syllabus. These online class sessions allow students to discuss the topics covered in the reading, videos, and assessments, ask questions, and review homework with faculty and peers.**

#### RECOMMENDED

PREPARATION: ACCT 550T or ACCT 560T or LAW 600

INSTRUCTOR: Gregory M. Kling, CPA, MST  
Lecturer of Accounting

CONTACT: Email: [gkling@marshall.usc.edu](mailto:gkling@marshall.usc.edu)  
Phone: 213-740-5004  
Office Hours: By appointment (virtual meetings available)

EMERGENCY NUMBERS: USC Emergency Info Line: 213-740-9233  
USC Public Safety – Non-Emergencies: 213-740-6000  
USC Emergencies: 213-740-4321  
USC Information Line: 213-740-2311 or KUSC Radio (91.5 FM)

REQUIRED TEXTS: Bittker & Eustice, *Federal Income Taxation of Corporations & Shareholders* WG&L Federal online treatise  
(Available online through RIA Checkpoint)

Applicable Internal Revenue Code and Regulation Sections (Available online through RIA Checkpoint or CCH IntelliConnect)

RECOMMENDED

TEXT: Burke, *Federal Income Taxation of Corporations and Shareholders*, 8<sup>th</sup> Edition West Nutshell Series (NOTE: published 11/28/2018)  
(Available in paperback or eBook directly from the publisher at [http://store.westacademic.com/Burkes\\_Federal\\_Income\\_Taxation\\_of\\_Corporations\\_and\\_Stockholders\\_in\\_a\\_Nutshell\\_8th\\_9781642425673.html](http://store.westacademic.com/Burkes_Federal_Income_Taxation_of_Corporations_and_Stockholders_in_a_Nutshell_8th_9781642425673.html))

COURSE LEARNING OUTCOMES:

Upon taking this course, students will be able to:

1. Compare and contrast the tax consequences to each party of the formation of a corporation.
2. Explain the difference between debt and equity and the impact on both the corporation and its shareholders.
3. Prepare a reconciliation of financial statement and taxable income based on the material studied in this course.
4. Calculate the amount of corporate distributions taxable as dividends.
5. Distinguish between a redemption that can be treated as a sale or exchange and one that is taxed as a dividend.
6. Determine the appropriate tax treatment of corporate liquidations.
7. Prepare a sample corporate tax return.

POINTS ASSIGNED TO ASSESSMENTS:

Self-Assessment Exercises	120 points
Pre-Class Homework Completion	110 points
Synchronous Class Session Participation	110 points
Quizzes (80 points each)	160 points
Midterm Exam	160 points
Final Exam	240 points
Tax Return Project	<u>100</u> points
Total	<u>1,000</u> points

COURSE FORMAT:

This course is divided into eleven modules, and each module is intended to cover one class session. Module activities may include reading assignments, class lessons, interactive exercises, homework assignments, Blackboard discussion forums, class sessions, and quizzes or exams. **It is expected that students will have completed all required activities and assignments before attending their synchronous class sessions.**

Students should ensure that they can access all the online tools via Blackboard prior to the start of classes.

#### OVERVIEW OF TOOLSETS:

Blackboard (Bb). Blackboard is the primary learning management system currently used at USC and may be accessed at [USC Blackboard Home Page](#). From the Blackboard Course Home Page, students can access their course syllabus, identify readings, participate in discussion forums, submit assignments, take quizzes and exams, and review grades at any time. They can also access links to the other platforms used in this course.

Zoom: Zoom is the platform used for all online sessions. A link to join synchronous class sessions will be posted in the Bb Course Home Page in the USC Zoom Pro Meeting area. For more information about Zoom, go to: [Zoom Support Tutorials](#)

Teams: Microsoft Teams is the platform used for office hours. Office hours will take place after every class from 11:00 a.m. (or when the session is finished) to 12:00 p.m. Additional office hours availability is accessible via a link in the Blackboard classroom.

#### COURSE POLICIES:

##### Recordings, Class Notes and Course Material Copyrights

Students may not 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 lectures, course syllabi and related materials, including summaries, PowerPoint slides, prior exams, answer keys, and all supplementary course materials (collectively known as “Course Materials”) available to the students enrolled in class whether or not posted on Blackboard or otherwise. **Course Materials may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all public and private file sharing websites by anyone other than me or my designee without my express written permission.** Exceptions are made for students who have made prior arrangements with DSP and me.

Notes made by students 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. **Course Materials (defined above) include student-prepared materials based on course content.**

Actions in violation of this policy constitute a violation of the USC Student Conduct Code and may subject an individual or entity to university discipline and/or legal proceedings.

### Late Assignments

Assignments submitted late will not be accepted and will earn a score of zero, except in the case of a well documented emergency or unforeseen circumstance to be approved by me in my sole and absolute discretion. Quizzes and Exams must be completed by the scheduled dates/times (there will not be make-up exams) and cannot be taken outside of the testing window, except when the exam time conflicts with a student's observance of a religious event.

Students will always receive a system generated email when Blackboard receives a submission. Additionally, students will be able to see their submissions in the gradebook. Students have sole responsibility for confirming their assignment submissions were validly received by Blackboard.

### Self-Assessment Exercises

Each module has self-assessment exercises which will assist in determining what material is understood and where you should consider re-reviewing some of the material. The self-assessment exercises are scored for accuracy, like a quiz or exam. You can attempt these exercises twice, prior to the due date/time, to learn the material and only your highest score will be counted. Each module's self-assessment exercises will be available until 8:30 a.m. California time on the day of the respective synchronous class session for scoring purposes – that is, you will receive credit only for the exercises you complete by the indicated time. However, you will have “read only” access to self-assessment exercises and the correct answers for the entire session.

### Weekly Homework Completion

Homework questions are assigned for each module to assist with ensuring comprehension of the materials we will cover in this course. Empirical studies have shown that students learn more effectively and deeply when they attempt to complete homework assignments before the solution is shown, rather than the other way around. Class homework answer submissions are due by 8:30 a.m. California time on the day of the respective synchronous class session. It is important to note that the benefit is contained in the process of attempting completion and it is understood that a student will not necessarily determine the correct solution for every question. As a result, the scoring for the homework submissions will consider completeness (the number of questions the student tried to answer), attempt (the depth to which the student attempted the analysis), and citations (the accuracy of citations provided). A copy of the rubric that will be used to score weekly homework completion is in the Course Information folder in Blackboard.

### Synchronous Class Session Participation

It is important that students strive for effective participation in each synchronous class session. Adequate preparation for each synchronous class session includes the timely (i.e., before class that week) completion of watching the pre-recorded videos and reading the assigned materials.

I assign a portion of the grade in this course based on the extent to which students participate actively in synchronous class sessions and the quality of their contributions to the in-class discussion. I do this to encourage the building of a healthy “learning community.” I think we can learn more about effort and quality of thinking by hearing students share their ideas in a series of classes than can be done by reading written answers to a few exam questions. Further, active

class participation encourages students to be well prepared and thus to become active, rather than passive, learners. Participation provides students with the opportunity to gain from the experiences and talents of everyone in the class. Class participation also helps students improve their oral communication skills, which are vitally important in the working world.

The synchronous class sessions will incorporate various active learning exercises, which will include discussing the homework questions, confirming the module's learning objectives were met and addressing other relevant issues with respect to our course subjects. We will accomplish this either in the main class session or in smaller breakout teams. You are not able to make up the class activity if you do not attend the class section, except as discussed with and approved by me beforehand.

Synchronous class participation will be scored based on various key elements, such as active participation, attention/professionalism, preparation, and initiative/analysis. A copy of the rubric that will be used to score synchronous class participation is in the Course Information folder in Blackboard.

Students are expected to regularly attend class sessions to fulfill University requirements for student contact hours in an online course. **Students who miss these live class sessions frequently will not be allowed to pass the course.**

#### Quizzes and exams

Quizzes and exams will be given online and are generally due by 9 p.m. California time on the due date. Instructions will be posted on Blackboard and the due dates are indicated in the syllabus. Quizzes and exams will be timed but students have a flexible window in which to take each one. Make up tests will generally not be given, except in the case of a well-documented emergency, and arranged for in advance with the instructor. Extra credit assignments will not be available.

#### Tax Return Project

The tax return project will provide an opportunity for students to prepare a corporate income tax return based on data from a sample company. Students will use tax processing software that is commonly used in public accounting. Additional details will be provided later.

#### Grading Policy

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--approximating 3.5, which is between a B+ and an A-. You must earn a C or better to pass a class, and you must maintain an *overall* B average (3.0 minimum) to graduate from USC. The graded elements of this course are listed in this syllabus along with information about how they will be evaluated.

#### STATEMENT ON ACADEMIC CONDUCT AND SUPPORT SYSTEMS:

USC seeks to maintain an optimal learning environment. Students are expected to submit original work. They have an obligation both to protect their own work from misuse and to avoid

using another's work as their own. All students are expected to understand and abide by the principles of academic honesty outlined in the University Student Conduct Code (see University Governance, Section 11.00) of SCampus ([www.usc.edu/scampus](http://www.usc.edu/scampus) or <http://scampus.usc.edu>). The recommended sanctions for academic integrity violations can be found in Appendix A of the Student Conduct Code.

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/>.

#### 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](http://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 the instructor 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](mailto:ability@usc.edu).

#### 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

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

**COMMUNITY EMERGENCIES:**

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.

**STATEMENT ON RETENTION OF PAPERS FROM THE CURRICULUM OFFICE:**

According to the *Guidelines on Documents Retention*, University policy requires that final exams and all other grade work which affected the course grade be kept for one year. Other papers or work that instructors hand back but that students fail to pick up can be held for one month.

## SYSTEM REQUIREMENTS:

### Technical Support

- For Blackboard support go to [USC ITS Services Website](#) or call USC ITS at (213) 740-5555
- For synchronous class (Zoom) support go to [Zoom Support](#) or call (888) 799-9666 ext. 2

### Required Equipment

- Computer (PC or Mac)
- Headset (**PER LEVENTHAL POLICY, HEADSETS ARE REQUIRED**)
- HD Webcam
- High speed Internet connection
- Up-to-date internet browser (Chrome, Firefox, Safari, or Internet Explorer)

## SUMMARY OF DELIVERABLES:

Assignment	Module	Due Date
Homework	1 through 11	By 8:30 am before the respective synchronous class session
Self-Assessment Exercises	1 through 11	By 8:30 am before the respective synchronous class session
Quiz	1 through 3	10/18/2020 by 9 pm
Midterm	1 through 7	11/01/2020 by 9 pm
Tax return project		11/05/2020 by 8:30 am
Quiz	8 through 9	11/08/2020 by 9 pm
Final Exam	1 through 11	11/17/2020 by 9:00 pm

## IMPORTANT DATES—Fall Semester 2020, Second Session

October 5	First day of Classes
October 13	Last Day to Add/drop (with refund)
October 22	Last Day to drop class (no refund)
November 6	DROP DAY—Last day to drop a class with mark of “W”
November 14 to 16	Study days
November 17 to 24	Final examinations
November 24	Last day of term

## **USC LEVENTHAL STUDENT LEARNING OUTCOMES FOR MASTER OF ACCOUNTING AND MASTER OF BUSINESS TAXATION PROGRAMS**

The following are the six 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 learning outcomes 1, 3, 4 and 5.

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

Students will apply critical thinking and problem-solving skills related to taxation of individuals, flow-through entities, and corporations. In addition, students will recognize potential opportunities for tax savings and tax planning.

### ***2. Professional Development***

Students will convert complex and technical tax terminology into language that translates to non-technical audiences. This outcome allows students to demonstrate strong interpersonal communication skills that build relationships with clients over time and be able to prepare work products with careful attention to word choice, tone, and accuracy.

### ***3. Applied Data Analysis***

Students will be able to analyze business and tax objectives, issues, and problems, and identify the data necessary for solutions. They will integrate data tools and languages and communicate answers in pragmatic and understandable terms.

### ***4. Research/Life-Long Learning***

Students will use computer-based and paper-based systems to thoroughly research and analyze tax codes, tax law, rulings and interpretations, providing for adaptability as the tax law changes over time.

### ***5. Ethical Principles and Professional Standards***

Students will demonstrate understanding of and apply consistently the ethical principles and professional standards related to the profession, including the standards in taking a tax position. Students will also show the ability to express and follow rules of independence exhibiting the highest sense of professional ethics.

### ***6. Globalization and Diversity***

Students will be able to explain key differences in taxing policies related to expatriates and the countries they live and work in – allowing them to reflect on cultural and ethnic differences in approaches to business and taxation policies.

## COURSE REQUIREMENTS BY MODULE

<b>MODULE 0: Welcome and Introduction to Course</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Identify the major course objectives.</li> <li>2. Discuss the basic issues facing corporations regarding U.S. taxation.</li> </ol>
<b>Readings</b>	Course syllabus
<b>Activities</b>	Watch the pre-recorded video.
<b>Assignments</b>	
<b>Attend Class Tuesday, October 6</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>MODULE 1: Formation of a Corporation I</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>3. Identify and apply the basic requirements for application of Section 351 and Section 1032.</li> <li>4. Calculate the consequences of Sections 351 and 1032 for shareholders and corporations, relating to gains/losses, basis, and holding period.</li> <li>5. Compare the treatment of a shareholder transferring property and services under Section 351.</li> </ol>
<b>Readings</b>	IRC §§ 351, 358, 362, 368(c), 1032, 1223(1), 1223(2)  Regs. § 1.351-1  B&E ¶ 3.01, 3.02, 3.07, 3.08, 3.09, 3.10[1], [4], 3.11, 3.12[1], 3.13
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Thursday, October 8</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>MODULE 2: Formation of a Corporation II</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Determine the tax treatment of “boot” under Section 351, including the allocation of boot gain to multiple properties.</li> <li>2. Calculate the recognized gain when a shareholder receives an installment note in a 351 transaction.</li> <li>3. Evaluate the tax consequences of liabilities being assumed under Section 357.</li> </ol>
<b>Readings</b>	IRC § 357, 453  Regs. § 1.357-1, Regs. § 1.357-2, Prop. Reg. § 1.351-2, Prop. Reg. § 1.453-1(f)(3)(ii)  B&E ¶ 3.05, 3.06, 3.10[3], 3.11[4], 3.15[1], 3.18
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Tuesday October 13</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>MODULE 3: Formation of a Corporation III</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Compute the appropriate tax treatment of organizational costs.</li> <li>2. Analyze the tax treatment of a contribution of capital for the corporation, shareholders and non-shareholders.</li> <li>3. Evaluate the business considerations of issuing debt versus equity.</li> <li>4. Determine the tax treatment on the disposition or worthlessness of debt and equity.</li> </ol>
<b>Readings</b>	IRC §§ 61(a)(11), 108(e), 118, 248, 362(a)(2), 362(c), 385, 165(g), 166  Treas. Reg. § 1.248-1  B&E 3.13, 3.17[6], 4.01, 4.02[1], [2], [3], 4.03, 5.06[1]
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Thursday October 15</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>
<b>Tax Return Project</b>	Hand out assignment
<b>Quiz #1</b>	Complete Quiz # 1 on Modules 1 to 3 materials. <b>SUBMIT BY 9:00 p.m. on Sunday, October 18.</b>

<b>MODULE 4: Operational Issues and Limitations</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Review basic judicial doctrines regarding corporate taxation.</li> <li>2. Determine corporate taxable income.</li> <li>3. Explain the rules for net operating losses.</li> <li>4. Calculate the corporate income tax liability.</li> <li>5. Calculate the potential penalty taxes applicable to a corporation.</li> </ol>
<b>Readings</b>	<p>IRC § 11, 162(m), 163(j), 170(b)(2), 170(d)(2), 172, 243, 246, 531 to 533, 535, 537, 541 to 543, 1211(a), 1212(a)</p> <p>B&amp;E 1.01, 1.05[2][b] – [d], 4.02[4][d], 5.01- 5.03 (excluding 5.03[5] – [7], [9], [10]), 5.05 to 5.05[2], 5.05[7][a] – [c], 7.01 – 7.06, 7.20 – 7.24</p>
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Tuesday October 20</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>MODULE 5: Non-Liquidating Distributions-Cash and Constructive Dividends</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Define and compute earnings and profits.</li> <li>2. Determine the tax consequences of a corporate distribution of cash, including the impact on current and accumulated earnings and profits.</li> <li>3. Identify when a constructive distribution occurs.</li> </ol>
<b>Readings</b>	<p>IRC § 301, 312, 316, 317</p> <p>Treas. Reg. §§1.301-1(a) – (c); 1.312-1; 1.312-6; 1.312-7; 1.312-15; 1.316-1(a); 1.316-2</p> <p>Rev Rul 74-164</p> <p>B&amp;E 8.01 – 8.06</p>
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Thursday October 22</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>MODULE 6: Non-Liquidating Distributions-Property Distributions</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Differentiate the tax consequences of a property versus cash distribution for the corporation and shareholder.</li> <li>2. Calculate the effect on Earnings &amp; Profits of a corporation's distribution of depreciated property.</li> <li>3. Compute the shareholder's basis in property received pursuant to a corporate distribution.</li> </ol>
<b>Readings</b>	IRC § 301, 311, 312, 316, 317(a)  Reg § 1.301-1(d) – (m), 1.312-7(b)  B&E 8.20 – 8.23
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Tuesday October 27</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>MODULE 7: Stock Redemptions &amp; Partial Liquidations I</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Explain what a redemption is.</li> <li>2. Identify the tax consequences when a redemption is treated as a sale or exchange versus a Section 301 distribution.</li> <li>3. Identify the four criteria of Section 302.</li> <li>4. Apply the constructive ownership rules to allocate ownership to an entity.</li> <li>5. Determine when Section 302(b)(1) will apply to treat a redemption as a sale or exchange.</li> <li>6. Apply the three Section 302(b)(2) tests to determine if a substantially disproportionate redemption has occurred.</li> </ol>
<b>Readings</b>	IRC § 302, 317(b), 318  B&E 9.01 – 9.03, 9.05
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Thursday October 29</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>Midterm Exam</b>	
<b>Learning Outcomes</b>	Confirm outcomes of Modules 1 through 7.
<b>Activities</b>	Study for Exam on Modules 1 – 7.
<b>Assignments</b>	<b>Take online Midterm Exam: Due by Sunday, November 1 at 9:00 p.m.</b>

<b>MODULE 8: Stock Redemptions &amp; Partial Liquidations II</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Apply the rules of Section 302(b)(3) to determine if a redemption is a sale or exchange.</li> <li>2. Discuss the requirements of Section 302(b)(4) and determine situations where it might apply.</li> <li>3. Explain what happens to basis when a redemption of stock is treated as a dividend under Section 301.</li> <li>4. Define redemptions through the use of related corporations under Section 304.</li> <li>5. Determine when Section 301 applies to a Section 304 deemed redemption.</li> <li>6. Differentiate between the taxability of transactions when Section 301 does and does not apply to a Section 304 deemed distribution.</li> </ol>
<b>Readings</b>	<p>IRC § 302, 304, 312(n)(7), 318</p> <p>Reg § 1.304-2</p> <p>Skim § 351</p> <p>B&amp;E 9.04, 9.07 (excluding 9.07[3][b]), 9.09 (excluding 9.09[5]), 9.22[1], 9.22[2] first two paragraphs, 9.22[3], 9.24</p>
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Tuesday November 3</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>
<b>Tax Return Project</b>	<b>Complete Tax Return Project. SUBMIT BY 8:30 a.m. on Thursday, November 5.</b>

<b>MODULE 9: Stock Dividends &amp; Section 306 Stock</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Demonstrate the rules pursuant to Section 305 regarding stock dividends, including exceptions to its application.</li> <li>2. Determine when a shareholder has received Section 306 stock.</li> <li>3. Calculate the tax consequences of dispositions of Section 306 stock.</li> </ol>
<b>Readings</b>	<p>IRC § 305 to 307</p> <p>Reg § 1.305-1 to -7, 1.306-1 to -3</p> <p>B&amp;E 8.40 – 8.42, 8.60 – 8.65</p>
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Thursday November 5</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>
<b>Quiz #2</b>	<b>Complete Quiz # 2 on Modules 8 to 9 materials. SUBMIT BY 9:00 p.m. on Sunday, November 8.</b>

<b>MODULE 10: Complete Liquidations</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Distinguish a complete liquidation from a sale.</li> <li>2. Discuss the differences in tax impact between a complete liquidation distribution versus a dividend.</li> <li>3. Compute the amount of gain or loss recognized by a liquidating corporation.</li> <li>4. Calculate the tax consequences to the shareholder on receipt of property in a complete liquidation.</li> <li>5. Determine the basis of property received in a complete liquidation.</li> </ol>
<b>Readings</b>	IRC § 331, 334, 336  Reg § 1.331-1, 1.332-2(c)  Rev Rul 85-48  B&E 10.20, 10.21[1] to [3], 10.22 – 10.25
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Tuesday November 10</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>MODULE 11: Subsidiary Liquidations</b>	
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Apply the Section 332 criteria for a qualifying subsidiary liquidation.</li> <li>2. Explain the impact of insolvency in a Section 332 liquidation.</li> <li>3. Compute the basis of liquidated assets in the hands of the Parent Corporation.</li> <li>4. Determine the tax effect of the subsidiary's liquidation on minority shareholders.</li> <li>5. Apply Section 337(a) when determining the recognition of gain/loss to the liquidating corporation.</li> <li>6. Illustrate the carryover of tax attributes in a Section 332 liquidation.</li> </ol>
<b>Readings</b>	IRC § 332, 334, 336(d)(3), 337, 381  Reg § 1.332-2  B&E 10.10 – 10.15, 14.20, 14.21[1], 14.21[2], 14.23[1][a], 14.23[2], 14.23[5]
<b>Activities</b>	Watch the pre-recorded videos.
<b>Assignments</b>	Complete homework problems and self-assessment exercises.
<b>Attend Class Thursday November 12</b>	<b>ZOOM Meeting 9:30 to 11:00 a.m. CA time</b>

<b>Final Exam</b>	
<b>Learning Outcomes</b>	Demonstrate understanding of Modules 1 to 11.
<b>Activities</b>	Study for Exam on Modules 1 – 11.
<b>Assignments</b>	<b>Take online FINAL EXAM: Due by Tuesday, November 17 at 9:00 p.m. CA time.</b>