

# USC Leventhal

School of Accounting

## ACCT 569T ADVANCED PARTNERSHIP TAXATION

Fall 2023 / 3 credit units

Section 14286R ONLINE Zoom sessions Thursdays 5:30 – 7:00 p.m. Pacific Time

Instructor:

Michael Constance C. Paranal CPA, JD MBA MBT PGDip

Professional of Clinical Accounting

Leventhal School of Accounting

Marshall School of Business

Office: ACC 232D

Phone: (424)785-9648

Email: [mparanal@marshall@usc.edu](mailto:mparanal@marshall@usc.edu)

Virtual Office Hours: Fridays 12:00 – 1:00 p.m. Pacific Time and by appointment

### COURSE DESCRIPTION

This course covers advanced tax concepts involving partnerships and limited liability companies, and is designed to produce a level of expertise in Subchapter K of the Internal Revenue Code.

### COURSE OBJECTIVES

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

1. Apply the Subchapter K rules to various complex partnership transactions, including the receipt of a partnership interest for services, distributions from partnerships, sales of partnership interests, and the death or retirement of a partner;
2. Design partnership profit and loss allocations to comply with the rules of Code § 704(b) and (c), including constructing capital accounts;
3. Evaluate the benefits and detriments of optional and mandatory basis adjustments;
4. Compare the consequences of the sale of a partnership interest with the liquidation of a partnership interest;
5. Analyze the Subchapter K rules throughout for tax planning opportunities; and
6. Integrate the knowledge learned to determine the tax consequences of various transactions engaged in by a fictional case study client.

### TEXTS

**REQUIRED:** *See Blackboard for instructions to access these materials online (no cost to the student):*

Applicable Internal Revenue Code and Treasury Regulation Sections  
(Available on-line through RIA Checkpoint or CCH IntelliConnect)

## HIGHLY RECOMMENDED READING:

*Cunningham, The Logic of Subchapter K, A Conceptual Guide to the Taxation of Partnerships*  
6<sup>th</sup> Edition ISBN # 9781642429794

[https://www.amazon.com/Subchapter-Conceptual-Taxation-Partnerships-Coursebook/dp/1642429791/ref=asc\\_df\\_1642429791/?tag=hyprod-20&linkCode=df0&hvadid=430996710134&hvpos=&hvnetw=g&hvrnd=121463403574334787&hvpon=&hvptwo=&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=9073456&hvtargid=pla-909783744135&psc=1&tag=&ref=&adgrpid=99728110506&hvpon=&hvptwo=&hvadid=430996710134&hvpos=&hvnetw=g&hvrnd=121463403574334787&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=9073456&hvtargid=pla-909783744135](https://www.amazon.com/Subchapter-Conceptual-Taxation-Partnerships-Coursebook/dp/1642429791/ref=asc_df_1642429791/?tag=hyprod-20&linkCode=df0&hvadid=430996710134&hvpos=&hvnetw=g&hvrnd=121463403574334787&hvpon=&hvptwo=&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=9073456&hvtargid=pla-909783744135&psc=1&tag=&ref=&adgrpid=99728110506&hvpon=&hvptwo=&hvadid=430996710134&hvpos=&hvnetw=g&hvrnd=121463403574334787&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=9073456&hvtargid=pla-909783744135)

Please note that the publisher is offering a 15% discount to students off the print version (with free ground shipping) or ebook. You will need to create an account and place an order directly through the publisher at [www.westacademic.com](http://www.westacademic.com). Use the promo code: **HESTUDENT**.

## COURSE FORMAT

This course is taught in a flipped format. All course materials can be found in Blackboard (<https://blackboard.usc.edu>). This course is divided into modules, and each module is intended to cover one class session. Module activities may include reading assignments, weekly 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 class session each week.** Attendance at all synchronous class sessions is expected.

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

Zoom is the platform used for all online sessions and online office hours. A link and instructions to join the Zoom sessions will be posted in the Blackboard Course Page under the “USC Zoom Pro Meeting” tab. For more information about Zoom, go to: [Zoom Support Tutorials](#)

## TECHNOLOGY REQUIREMENTS

The following equipment and system requirements are recommended to successfully participate in this online course:

- Computer with webcam
- Ear phones or headset
- Reliable (preferably high speed) Internet connection
- Current operating system for Windows or Mac
- Current browser
  - Google Chrome
  - Firefox
  - Internet Explorer (not recommended)

- Safari (Mac)

For technical support please see:

- **USC Systems** (Blackboard, USC Login, MyUSC, USC Gmail, GoogleApps)  
For assistance with your USC login or other USC systems, please call +1 (213) 740-5555 or email [Consult@usc.edu](mailto:Consult@usc.edu). They are open Mon – Fri 9:30am – 5pm and weekends from 8am - 5pm (all Pacific time).
- **Zoom Video Web Conferencing System** (Zoom class sessions)  
For assistance using Zoom, go to [Zoom Support Page](#). You may also call +1 (888) 799-9666 ext. 2 or +1 (650) 397-6096 ext. 2. They are available 24/7.
- **Marshall Systems** (MyMarshall, Marshall Outlook email)  
For assistance with Marshall systems you can call +1 (213) 740-3000 Mon-Fri 8am-6pm (Pacific), email [HelpDesk@marshall.usc.edu](mailto:HelpDesk@marshall.usc.edu), or use our self-help service portal as shown below. The portal allows you to get immediate assistance by searching for the information you need. You can also use it to chat with a technician or input a request. To access the service portal, follow these steps:
  - On a computer or mobile device, go to [MyMarshall Home Page](#) and click the “Help” link on the upper right.
  - Log in using your Marshall username and password.  
(If you don’t know your Marshall login please follow the onscreen instructions pertaining to login issues)

If your computer does not have Microsoft Word, an Office 365 package is available to you free of charge and allows you to install Word, Excel, PowerPoint, Outlook, OneNote, Publisher, and Access on up to 5 PCs or Macs and Office apps on other mobile devices including tablets. Office 365 also includes unlimited cloud storage on OneDrive. To download Office 365, log into your student (University) email through a web browser, choose Settings (top right corner), and select software. If you have further questions or need help with the software, please contact the USC ITS service portal.

## GRADING

Preparation, Participation, and Professionalism	150 points
Individual Homework Problems (see syllabus)	150 points
Exam Modules 1 – 5	200 points
Exam Modules 7 – 11	200 points
Final Case Study Project	<u>300 points</u>
Total	1000 points

## GRADING AND CLASSROOM POLICIES

1. **PREPARATION, PARTICIPATION, AND PROFESSIONALISM:** Class attendance and participation are important in achieving the learning objectives for this course. Your preparation, participation, and professionalism produce a more valuable experience for you as well as your classmates.
  - a. Attendance is expected at the synchronous class sessions. Students are expected to have cameras on during the synchronous Zoom sessions, and preferably use headsets or earphones to ensure the best audio quality. Please contact me immediately if you have

- circumstances under which you will not be able to meet these expectations, and please notify me of any planned absences.
- b. For students who are located in a time zone where the synchronous class sessions or exams fall outside the window of 7 a.m. to 10 p.m. in your local time zone, please contact me immediately. You will not be penalized for not attending the live Zoom class sessions. The Zoom sessions will be recorded and posted on Blackboard, and you will be responsible for watching the recorded sessions, but you may be subject to additional assignments to meet participation expectations.
  - c. Class sessions will be recorded and posted on Blackboard. Except as indicated above, these recordings are intended for study purposes and attendance is expected at the synchronous class sessions.
  - d. Your preparation and participation grade involves the timely (i.e., before class that week) completion of the pre-recorded videos and self-assessment exercises for the Module, as well as general participation in the class sessions.
    - i. Self-assessment exercises are graded for completion only – not for correctness. You can try these exercises as often as necessary to learn the material although only one attempt is necessary for preparation credit.
  - e. In this course, Discussion Problems (posted with Course Materials) are for your practice and learning and are not submitted for a grade. However, these Discussion Problems will be covered in the live class sessions. These Discussion Problems may be completed in study groups that will be established at the beginning of the semester. Study groups will be randomly called upon to present answers to the discussion problems during each class session. All group members will be graded on the preparedness of their group in presenting the solutions to these discussion problems.
  - f. Effective participation in the synchronous class sessions consists of analyzing, commenting, questioning, discussing, and building on others' contributions. Participation may be evaluated as follows:
    - i. *Outstanding Contribution*: You volunteer responses and your contributions reflect considerable preparation and familiarity with the material. Your comments or questions create a spring-board for discussion and add to the learning in the class.
    - ii. *Good Contribution*. You volunteer comments less frequently but when called upon you demonstrate preparedness. You are able to add value to the classroom discussion.
    - iii. *Minimal Contribution*. You participate minimally, but are generally quiet and don't add much to the discussion.
    - iv. *No Contribution*. You say little or nothing in class. When called upon, you are unprepared to answer.
  - g. Professionalism (netiquette): As outlined in the student handbook, there are specific expectations of a student attending class online. When attending, present and act

appropriately as if you were in a physical classroom.

i. Please do:

1. Log into class early or promptly.
2. Arrange to attend class where there is a reliable internet connection and without distractions.
3. Dress respectfully. Although casual dress is fine, video conference business meetings are and will be the norm, so practice your professional telepresence.
4. If you use a virtual background, please keep it respectfully professional.
5. Display both your first and last name during synchronous class meetings.
6. Respectfully minimize distractions by muting and or turning off video if necessary and when appropriate.
7. Engage in appropriate tone and language with instructors and classmates.

ii. Please try not to:

1. Engage in a simultaneous activity not related to the class.
2. Interact with persons who are not part of the class during the class session.
3. Leave frequently or not be on camera for extended periods of time.
4. Have other persons or pets in view of the camera.

2. **INDIVIDUAL HOMEWORK PROBLEMS:** Certain problems will be assigned as Individual Homework problems, and should be submitted as an Excel or Word file under the “Assignments” tab in Blackboard. Cooperation with other students, including study group members, is not allowed on these individual homework problems. Due dates are indicated in the syllabus.
3. **EXAMS:** Exams will be given online and are open book. Instructions will be posted on Blackboard and the due dates are indicated in the syllabus. Exams will be timed but students have a flexible window in which to take the exam. Make up examinations 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 generally not be available.
4. **FINAL CASE STUDY:** The final case study project will be evaluated based on content as well as on the effectiveness of your communication. This includes grammar, spelling, organization, and other essentials of effective communication. The case study may be completed in small groups to be assigned later, with one case study solution submitted for each group. The topic and instructions will be posted in Blackboard.
5. **OFFICE HOURS AND FEEDBACK:** Please feel free to contact me for individual office hours (via Zoom) if you have questions or need assistance with the material. I will generally reply to emails within 24 hours. Graded assessments will be returned with feedback prior to the due date of the next graded assessment.

## LEVENTHAL AND MARSHALL GRADING STANDARDS

This course will generally 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 (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.

## **LEVENTHAL PROGRAM LEARNING OUTCOMES**

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, 2, and 4.

### ***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.

## **EMERGENCY PREPAREDNESS**

In case of a declared emergency if travel to campus is not feasible, the USC Emergency Information web site (<https://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.

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

**SCHEDULE – ACCT 569T – FALL 2023**

	<b>MODULE 1: Receipt of Partnership Interest for Property or Services</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Recall the key issues of the taxation of partnership formation.</li> <li>2. Identify the difference between a capital interest and a profits interest.</li> <li>3. Explore the reasoning behind the proposed changes to the taxation of a partnership interest for services.</li> <li>4. Demonstrate and calculate the tax consequences when either a capital or profits interest is issued for services under both current and proposed rules.</li> </ol>
<b>Readings</b>	<p><b>IRC:</b> §§ 721, 722, 723, skim § 83  <b>Regs:</b> § 1.721-1(b); Prop. Reg. § 1.721-1(b); Prop. Reg. § 1.83-3(l)  <b>CCH Treatise:</b> Review ¶¶ 4.01 – 4.06; 5.02  Study ¶¶ 6.01 – 6.06  <b>Other:</b> Rev. Proc. 93-27, Notice 2005-43, 2005-24 IRB 1221</p>
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 1
<b>Assignments</b>	Complete Module 1 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Aug 24</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

	<b>MODULE 2: Partner’s Distributive Share - § 704(b)</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Construct capital accounts using the capital account maintenance rules.</li> <li>2. Interpret the basic principles and mechanics of the § 704(b) allocation rules, and discuss the concept behind the substantial economic effect safe harbor.</li> <li>3. Calculate capital accounts and the impact of special allocations in a given scenario.</li> </ol>
<b>Readings</b>	<p><b>IRC:</b> § 704(a) &amp; (b)  <b>Regs:</b> § 1.704-1(b)(1)(i)  § 1.704-1(b)(2)(i), (ii)(a), (b), (c)  § 1.704-1(b)(2)(iv)(a) thru (h)  § 1.704-1(b)(5) Examples 1(i), 4(i)  <b>CCH Treatise:</b> ¶¶ 17.01, 17.02, 17.03 intro and [A], 17.03[B][1], 17.03[D]</p>
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 2
<b>Assignments</b>	Complete Module 2 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Aug 31</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>



	<b>MODULE 3: Working with Profit and Loss Allocations</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Interpret and apply the alternate test under the § 704(b) Regulations</li> <li>2. Evaluate which allocations fail the “substantiality” requirement</li> <li>3. Apply the principles of the § 704(c) allocation rules to asset sales</li> <li>4. Analyze non-safe harbor allocations</li> <li>5. Calculate the consequences of special allocations</li> </ol>
<b>Readings</b>	<b>IRC § 704(c)(1)(A)</b> <b>Regs.</b> §§ 1.704-1(b)(2)(ii)(d); 1.704-1(b)(2)(iii); 1.704-3(a)(1) – (5), (b)(1) <b>CCH Treatise:</b> ¶¶ 17.03[B][2]; 17.03[C][1], [2]; 17.04; 17.06[B]; 17A.01 intro and [A]
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 3
<b>Assignments</b>	Complete Module 3 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Sept 7</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

	<b>MODULE 4: Working with Book-Tax Differences</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Identify the use of “reverse” § 704(c) allocations</li> <li>2. Interpret and apply the principles of § 704(c) to depreciable property</li> <li>3. Apply the use of remedial and curative allocations and understand their practical application</li> <li>4. Compare the relationship between § 704(b) and § 704(c)</li> </ol>
<b>Readings</b>	<b>IRC § 704(c)(1)(A)</b> <b>Regs.</b> §§ 1.704-3(b); skim Treas. Reg. § 1.704-3(c), (d) <b>CCH Treatise:</b> ¶¶ 17.03[A][3]; 17A.01[B]; 17A.02[A]; 17A.03[A]; 17A.03[B]; 17A.03[F] intro Suggested Reading: Treas. Reg. § 1.704-3(d)(7) Ex 1
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 4
<b>Assignments</b>	Complete Module 4 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Sept 14</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>
<b>Submit</b>	<b>Individual Homework Problem for Module 4 (DUE by 11:59 P.M. Wednesday September 20<sup>th</sup>)</b>

	<b>MODULE 5: Allocation of Liabilities - § 752</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Identify which partners are subject to an economic risk of loss with respect to partnership debt</li> <li>2. Compare the allocation of recourse debt with the allocation of non-recourse debt</li> <li>3. Demonstrate how debt is allocated in various situations</li> </ol>
<b>Readings</b>	<b>Code:</b> § 752 <b>Regs:</b> § 1.752-1; § 1.752-2(a) – (c), (f) Ex 1, 2, 4 § 1.752-3(a), (c) Ex 1; <b>CCH Treatise ¶¶</b> 9.01, 9.03[A][1], [2] intro; 9.03[B]; 9.05[B] intro, [C] intro
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 5
<b>Assignments</b>	Complete Module 5 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Sept 21</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

	<b>MODULE 6: Review and Exam</b>
<b>Learning Outcomes</b>	Review prior modules
<b>Activities</b>	Review prior modules
<b>Assignments</b>	Complete Module 6 review problems to be discussed in the class session
<b>Attend Class Thursday, Sept 28</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>
<b>Submit</b>	<b>Complete Exam # 1</b> on Modules 1 – 5 material under “Assignments” in Blackboard. <b>DUE by 11:59 P.M. Sunday October 1<sup>st</sup></b>

	<b>MODULE 7: Distributions of Property</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Explain the tax consequences of partnership distributions</li> <li>2. Apply the basis rules for the distribution of multiple assets</li> <li>3. Compare distributions of contributed property</li> </ol>
<b>Readings</b>	<b>IRC</b> §§ 731(a), (b), (d); 732(a), (b), (c); 733; 737; 704(c)(1)(B) <b>Regs:</b> § 1.732-1(a) – (c); 1.761-1(d); § 1.737-1; 1.704-4(a), (b), (e) <b>CCH Treatise:</b> ¶¶ 21.01; 21.07; 21.08 intro, 21.08[E]
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 7
<b>Assignments</b>	Complete Module 7 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Oct 5</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

<b>Thursday, Oct 12</b>	<p><b>No Class</b></p>  <p><b>Fall Recess</b></p>
-------------------------	---


	<b>MODULE 8: Distributions of Hot Assets</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Demonstrate the consequences of “hot assets” on distributions</li> <li>2. Assess the effectiveness of IRC § 751(b)</li> </ol>
<b>Readings</b>	<b>IRC</b> § 751(b) <b>Regs:</b> § 1.751-1(b), (g) Ex 2 <b>CCH Treatise:</b> ¶¶ 23.01 – 23.03; skim 23.04 <b>Other:</b> Notice 2006-14, 2006-1 CB 498;
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 8
<b>Assignments</b>	Complete Module 8 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Oct 19</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>
<b>Submit</b>	<b>Individual Homework Problem for Module 8 (due by 11:59 P.M. Wednesday Oct 25<sup>th</sup>)</b>

	<b>MODULE 9: Sale or Exchange of Partnership Interest</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Analyze the impact of the sale of a partnership interest on all parties</li> <li>2. Identify “hot” assets in a partnership and their treatment upon sale of a partnership interest</li> <li>4. Calculate the amount and character of gain on the sale of a partnership interest</li> <li>5. Identify the issue of a disguised sale of a partnership interest</li> </ol>
<b>Readings</b>	<p><b>Code:</b> §§ 741, 742, 752(d), 751(a), (c), (d)</p> <p><b>Regs:</b> §§ 1.704-3(a)(7); 1.704-1(b)(2)(iv)(1); 1.741-1; 1.751-1(a), (c), (d)(2), (g) Ex 1</p> <p><b>Rev. Rul.</b> 99-5 and 99-6</p> <p><b>CCH Treatise:</b> ¶¶ 24.01 – 24.03; 25.01 – 25.04</p>
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 9
<b>Assignments</b>	Complete Module 9 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Oct 26</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

	<b>MODULE 10: Basis Adjustments Upon Transfer of Partnership Interest</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Compare the results of making versus not making a Section 754 election.</li> <li>2. Calculate the basis adjustments under IRC § 743 for sales of partnership interests.</li> <li>3. Apply the basis adjustments to partnership transactions.</li> <li>4. Analyze the pros and cons of mandatory basis adjustments.</li> </ol>
<b>Readings</b>	<p><b>IRC:</b> §§ 743(a) – (d); 754; skim 755</p> <p><b>Treas. Regs.:</b> §§ 1.743-1(a) – (e), (j); 1.754-1; 1.704-1(b)(2)(iv)(l), (m); skim 1.755-1</p> <p><b>CCH Treatise:</b> ¶¶ 37.01 – 37.07</p>
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 10
<b>Assignments</b>	Complete Module 10 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Nov 2</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

	<b>MODULE 11: Basis Adjustments Upon Distributions</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Compare the results of making versus not making a Section 754 election.</li> <li>2. Calculate the basis adjustments under IRC § 734 for distributions to partners.</li> <li>3. Apply the basis adjustments to partnership transactions.</li> <li>4. Analyze the pros and cons of mandatory basis adjustments.</li> </ol>
<b>Readings</b>	<b>IRC:</b> §§ 734; 754; skim 755 <b>Treas. Regs.:</b> §§ 1.734-1; 1.754-1; 1.704-1(b)(2)(iv)(1), (m); skim 1.755-1 <b>CCH Treatise:</b> ¶¶ 37.01 – 37.07
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 11
<b>Assignments</b>	Complete Module 11 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Nov 9</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

	<b>MODULE 12: Review and Exam</b>
<b>Learning Outcomes</b>	Review modules 7 -11
<b>Activities</b>	Review modules 7 -11
<b>Assignments</b>	Complete Module 12 review problems to be discussed in the class session
<b>Attend Class Thursday, Nov 16</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>
<b>Submit</b>	<b>Complete Exam # 2 on Modules 7 – 11 material under “Assignments” in Blackboard. SUBMIT BY 11:59 P.M. Sunday Nov 19<sup>th</sup></b>

<b>Thursday, Nov. 23</b>	<p><b>No Class</b></p>  <p><b>Happy Thanksgiving!!!</b></p>
--------------------------	--

	<b>MODULE 13: Guaranteed Payments / § 707</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Distinguish between payments under IRC § 707(a) and § 707(c)</li> <li>2. Evaluate the tax consequences of guaranteed payments</li> <li>3. Apply the self-employment tax rules to LLCs</li> </ol>
<b>Readings</b>	<b>IRC:</b> § 707(a), (b), (c) <b>Treas. Regs.:</b> § 1.707-1(a), (b), (c) <b>CCH Treatise:</b> ¶¶ 27.01, 27.02[A], [B], [C]; 27.03; 27.04[A][1]; 31.03[B]
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 13
<b>Attend Class Thursday, Nov 30</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

	<b>MODULE 14: Death and Retirement of Partner - § 736</b>
<b>Learning Outcomes</b>	<ol style="list-style-type: none"> <li>1. Identify whether liquidating payments to a partner are treated under IRC § 736(a) or § 736(b)</li> <li>2. Analyze and calculate the tax consequences of a liquidating distribution to a partner</li> <li>3. Compare the tax consequences of selling versus liquidating a partner's interest</li> </ol>
<b>Readings</b>	<b>IRC:</b> § 736 <b>Treas. Regs.:</b> § 1.736-1 <b>CCH Treatise:</b> ¶¶ 35.01, 35.02, 35.03
<b>Activities</b>	Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 14
<b>Assignments</b>	Complete Module 14 discussion problems to be discussed in the class session
<b>Attend Class Thursday, Dec 7</b>	<b>ZOOM Meeting 5:30 – 7:00 p.m. PST</b>

	<b>MODULE 15: Comprehensive Case Study</b>
<b>Learning Outcomes</b>	1. Compare the tax consequences of selling versus liquidating a partner's interest using a comprehensive case study
<b>Activities</b>	Work on final case study with partner
<b>Submit</b>	<b>Submit final case study by 11:59 p.m. Wednesday, Dec. 13<sup>th</sup></b>

**SUMMARY OF DELIVERABLES:**

<b>Assignment</b>	<b>Module</b>	<b>Due Date</b>
Individual Homework	Module 4	Wednesday, Sep 20 <sup>th</sup>
Exam # 1	Modules 1 - 5	Sunday, Oct 1 <sup>st</sup>
Individual Homework	Module 8	Wednesday, Oct 25 <sup>th</sup>
Exam # 2	Modules 7 - 11	Sunday, Nov 19 <sup>th</sup>
Final Case Study	Comprehensive	Wednesday, Dec 13 <sup>th</sup>



## USC STATEMENT ON ACADEMIC CONDUCT AND SUPPORT SYSTEMS

### **Academic Integrity:**

The University of Southern California is a learning community committed to developing successful scholars and researchers dedicated to the pursuit of knowledge and the dissemination of ideas. Academic misconduct, which includes any act of dishonesty in the production or submission of academic work, compromises the integrity of the person who commits the act and can impugn the perceived integrity of the entire university community. It stands in opposition to the university's mission to research, educate, and contribute productively to our community and the world.

All students are expected to submit assignments that represent their own original work, and that have been prepared specifically for the course or section for which they have been submitted. You may not submit work written by others or "recycle" work prepared for other courses without obtaining written permission from the instructor(s). Other violations of academic integrity include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), collusion, knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage. The impact of academic dishonesty is far-reaching and is considered a serious offense against the university. All incidences of academic misconduct will be reported to the Office of Academic Integrity and could result in outcomes such as failure on the assignment, failure in the course, suspension, or even expulsion from the university. For more information about academic integrity see [the student handbook](#) or the [Office of Academic Integrity's website](#), and university policies on [Research and Scholarship Misconduct](#).

Since creating, analytical, and critical thinking skills are part of the learning outcomes of this course, all assignments should be prepared by the student working individually or in groups. Students may not have another person or entity complete any substantive portion of the assignment. Developing strong competencies in these areas will prepare you for a competitive workplace. **Therefore, using AI-generating tools is prohibited in this course, will be identified as plagiarism, and will be reported to the Office of Academic Integrity** Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

### **Students and Disability Accommodations:**

USC welcomes students with disabilities into all of the University's educational programs. [The Office of Student Accessibility Services](#) (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at [osas.usc.edu](https://osas.usc.edu). You may contact OSAS at (213) 740-0776 or via email at [osasfrontdesk@usc.edu](mailto:osasfrontdesk@usc.edu).

### **Support Systems:**

[Counseling and Mental Health](#) - (213) 740-9355 – 24/7 on call Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

[988 Suicide and Crisis Lifeline](#) - 988 for both calls and text messages – 24/7 on call

The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline is comprised of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

[Relationship and Sexual Violence Prevention Services \(RSVP\)](#) - (213) 740-9355(WELL) – 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

[Office for Equity, Equal Opportunity, and Title IX \(EEO-TIX\)](#) - (213) 740-5086

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

[Reporting Incidents of Bias or Harassment](#) - (213) 740-5086 or (213) 821-8298

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

[The Office of Student Accessibility Services \(OSAS\)](#) - (213) 740-0776

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

[USC Campus Support and Intervention](#) - (213) 740-0411

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

[Diversity, Equity and Inclusion](#) - (213) 740-2101

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

[USC Emergency](#) - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

[USC Department of Public Safety](#) - UPC: (213) 740-6000, HSC: (323) 442-1200 – 24/7 on call

Non-emergency assistance or information.

[Office of the Ombuds](#) - (213) 821-9556 (UPC) / (323-442-0382 (HSC)

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

[Occupational Therapy Faculty Practice](#) - (323) 442-2850 or [otfp@med.usc.edu](mailto:otfp@med.usc.edu)

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.