

# USC Leventhal

## School of Accounting

### SYLLABUS

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

Fall 2024 / Aug 26 – Dec 12  
ACC 205 / 2:00 p.m. – 3:20 p.m. Tue/Thu

#### 3.0 Units

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

**INSTRUCTOR** Gregory M. Kling, CPA, MST  
Associate Professor of the Practice of Accounting  
Leventhal School of Accounting, Room 232B  
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**OFFICE HOURS** Tuesdays and Thursdays: 10:30 a.m. – 1:30 p.m. in ACC 232B  
Mondays and Wednesdays: by appointment (request via Zoom calendar)

**EMERGENCY INFO** 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 or KUSC Radio (91.5 FM)

#### COURSE LEARNING OBJECTIVES

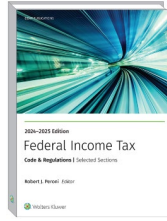
Upon taking this course, students will be able to:

1. Determine the tax consequences to each party of the formation of a corporation.
2. Differentiate between debt and equity and the impact on both the corporation and its shareholders.
3. Calculate the amount of corporate distributions taxable as dividends.
4. Calculate income and other potential corporate-level tax liabilities.
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. Apply the knowledge learned to analyze specific flow-through taxation and choice of entity issues.

**REQUIRED TEXTS**

\*\*\*CCH Wolterskluwer, Federal Income Tax: Code and Regulations – Selected Sections (2024-2025). Print ISBN 9780808060260.

<https://shoptax.wolterskluwer.com/en/fed-inc-tx-code-reg-sel-sec-2025ypi.html>



The price is \$164 for students. The above link should discount the price to Student Pricing (once you get to the cart page). If not, please add Promotion Code USTP-BY2301 during the checkout process.

**IMPORTANT NOTE:** You will need access to the Internal Revenue Code and Regulations during most MBT classes and exams. It is recommended that you purchase the hard copy of this book. Alternatively, you will be able to access the applicable Code and Regulation sections free online but you will have to print relevant sections for use during exams since you may not access the internet online during exams in this course.

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

\*\*\*Eustice, Kuntz & Bogdanski, *Federal Income Taxation of S Corporations* WG&L Federal online treatise (Available online through RIA Checkpoint)

**RECOMMENDED TEXT**

Burke, Federal Income Taxation of Corporations and Shareholders, 8th 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)

**POINTS ASSIGNED TO ASSESSMENTS AND DUE DATES**

|   |                    |                           |
|---|--------------------|---------------------------|
| Preparation, Contribution & Professionalism | 110 points         | Various class sessions    |
| Homework questions (team assignments)       | 150 points         | Various class sessions    |
| Quizzes (3 quizzes)                         | 180 points         | by Sep 22, Nov 10, Nov 24 |
| Exam #1 – Modules 1 to 6                    | 210 points         | Oct 17                    |
| Final Exam (cumulative)                     | <u>350 points</u>  | Dec 7                     |
| Total                                       | <u>1000 points</u> |                           |

### IMPORTANT DATES – Fall Semester (Session 001)

|                           |   |
|---------------------------|---|
| August 26                 | First day of classes  |
| September 13              | Last day to add course or drop without “W” and receive refund |
| September 13              | Last day to change to pass/no pass                            |
| October 11                | Last day to withdraw without a “W” or change to letter grade  |
| October 10 to 11          | Fall recess   |
| November 15               | Last day to drop course with a “W”                            |
| November 27 to December 1 | Thanksgiving holiday break                                    |
| December 6                | Last day of classes   |
| December 7 to 10          | Study days  |
| December 11 to 18         | Final examinations  |
| December 18               | Session ends  |

### COURSE POLICIES

#### PREPARATION, CONTRIBUTION, AND PROFESSIONALISM

Active class participation is important in achieving the learning objectives for this course. Your preparation, contribution, and professionalism produce a more valuable experience for you as well as for your classmates. Lack of preparation, contribution, or professionalism will impact your course grade.

- a. Classroom attendance:
  - i. Unless students provide an accommodation letter from USC’s [Office of Student Accessibility Services](#) or from Marshall detailing visa or travel restrictions, attendance and active participation is expected in the classroom.
  - ii. Any student with such accommodations should submit their accommodation document to me as soon as possible to discuss appropriate alternatives.
  - iii. Students who are experiencing illness should not attend class in person. Please inform me **in advance** of any class sessions that you cannot attend for medical reasons. Students will not be penalized for not attending class in person under these circumstances.
- b. Discussion questions will be presented and discussed as indicated in the syllabus. Discussion questions will not be collected, but your preparation, contribution, and professionalism score is based on advance preparation of the problems and effective presentation when called upon.
- c. Students should be prepared to discuss the materials assigned for each class. Effective contribution during the class sessions consists of analyzing, commenting, questioning, discussing, and building on others' contributions. Contribution 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 contribute 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.
- d. Professionalism in the classroom will be expected at all times. Because the university classroom is a place designed for the free exchange of ideas, we must show respect for one another in all circumstances. We show respect for one another by exhibiting patience and courtesy in our exchanges. Appropriate language and restraint from verbal attacks upon those whose perspectives differ from your own is a minimum requirement. Courtesy and kindness is the expected norm for USC students.
- e. Laptops are permitted only for accessing class materials and taking notes. Accessing websites, materials, or other content unrelated to class while class is in session is considered unprofessional and will impact your contribution and professionalism grade. Cell phones and laptops need to be silenced.

### **MAKE-UP WORK, EXTRA CREDIT, LATE ASSIGNMENTS AND ALLOWED EXCEPTION**

Make-up work is generally not available and will not be offered to students, except for limited specific reasons (“**Allowed Exception**”). The professor reserves the right to review documentation in order to approve an **Allowed Exception**. Any approved **Allowed Exception** will be communicated to the student in writing by the professor.

Extra credit is not offered to students and is not available in this class. Students should not request extra credit from the professor. Requests for extra credit work are considered unprofessional behavior and may result in a loss of Preparation, Contribution & Professionalism points (including negative points being earned by the student).

Assignments submitted late will not be accepted and will earn a score of zero, except in the case of an **Allowed Exception**.

Students will typically receive a system acknowledgement when Brightspace 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 Brightspace.

An **Allowed Exception** is limited but may include:

1. Student has a religious observance conflict.
2. A student is suffering from illness or injury that does not allow for safe class participation or course work.
3. Student athletes who are representing USC or the USA in an official capacity. This approval includes athletes, trainers, managers, members of the Band, Song Girls, Dance Squad, Cheerleaders or any student who is representing USC or the USA in a USC approved competition.
4. An emergency arises. An “emergency” is defined as a serious, and an unforeseen situation, which is beyond the student’s control, that requires the student’s immediate attention.
5. Students who join the course after it has started will have an opportunity to make up quizzes and professionalism points that they missed prior to joining the class, if they make a written request to the professor for make-up work within 2 calendar days of joining the class.
6. A critical family situation where the student’s attendance is mandatory. These limited situations include: (1) funerals and memorial services, (2) weddings of family members and close friends and (3) the serious illness of a close relative or immediate family member.

Students must inform the professor prior to the class session if they are aware that they have or will have an **Allowed Exception**. Students experiencing an illness or an emergency should communicate as soon as practical. Students who miss an assessment, will earn zero points unless they have an **Allowed Exception**. Students who miss an assessment because of an **Allowed Exception** will be offered the opportunity to complete the missed work in a manner communicated in writing by the professor to the student. Such opportunities may include allowing the student to make the work up shortly after the assessment was originally due or other alternatives to be determined by the professor.

Students must take the final examination as scheduled. The final examination may not be offered prior to the date and time. Students who do not take the final examination will earn 0 points for the exam and may not pass the course. The professor may offer the final examination to a student with an **Allowed Exception** within 24 hours after the scheduled date. However, students who have an **Allowed Exception** may request an incomplete from the professor, and provide and/or complete any necessary documentation. The student will arrange with the professor to take the final examination within one calendar year to replace the incomplete with a letter grade.

### **QUIZZES AND EXAMS**

Three quizzes and two exams will be taken during the course as indicated in the syllabus. Quizzes and exams must be completed by the due date as indicated in the syllabus and Brightspace.

All quizzes and exams will be “open book” (Code, Regs, slides, notes, and assigned readings) and open notes.

Make up exams will generally not be given, except in the case of a well-documented emergency, unforeseen circumstance or conflict with a religious observance, and arranged for in advance with the professor.

### **HOMEWORK QUESTIONS (TEAM ASSIGNMENTS)**

The purpose of the homework questions is to give each team an opportunity to apply the knowledge learned and discuss the answers in class. It is expected that the homework questions will address the major topics from the material we will study. More details will be provided during the semester, prior to the due dates. A team member must be present in class and must participate in order to earn points for the discussion questions.

### **RECORDINGS, CLASS NOTES AND COURSE MATERIAL COPYRIGHTS**

Students may not record any lecture, class discussion or meeting with the professor without his 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. The professor reserve all rights, including copyright, to lectures, course syllabi and related materials, including summaries, PowerPoint slides, prior exams, discussion questions, answer keys, and all supplementary course materials (collectively known as “Course Materials”) available to the students enrolled in class whether or not posted on Brightspace 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 the professor or his designee without his express written permission.** Exceptions are made for students who have made prior arrangements with the Office of Student Accessibility Services and the professor.

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.

### **USE OF ARTIFICIAL INTELLIGENCE (AI) TOOLS**

Since analytical and critical thinking skills are necessary to achieve the learning outcomes of this course, all assignments should be prepared by the student working individually or in groups, as applicable. Developing strong competencies in these areas will prepare you for a competitive workplace. Therefore, using AI-generated tools is prohibited in this course, will be identified as plagiarism, and will be reported to the Office of Academic Integrity. Please ask your professor if you are unsure about what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

## **SELF-CHECK QUESTIONS**

Each module has self-check questions which will assist in determining what material is understood and where you should consider re-reviewing some of the materials to confirm your achievement of the learning objectives. The self-check questions are not scored. You can attempt these questions as often as you would like during the semester.

## **LEVENTHAL AND MARSHALL GRADING STANDARDS**

This course adheres to the USC Leventhal School of Accounting and Marshall School of Business grading standards for graduate programs. You must receive a C or better to pass a required class, and you must have an overall B average (3.0 minimum) from all your courses 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.

### **Technology Requirements**

The course materials are located on Brightspace. To participate in learning activities and complete assignments, you will need:

- Access to a working computer that has a current operating system with updates installed
- A computer with the ability to access your online research accounts
- Reliable internet access and a USC email account
- A current internet browser that is compatible with Brightspace
- Microsoft Word or something similar as your word processing program
- Reliable data storage for your work, such as a USB drive or Office365 OneDrive cloud storage

### **Minimal Technical Skills Needed**

Minimal technical skills are needed in this course. The minimal technical skills include the ability to:

- Organize and save electronic files
- Use USC email and attached files
- Check email and notifications and announcements on Brightspace daily
- Download and upload documents
- Locate information with a browser and be able to access and use Brightspace

## **LEVENTHAL PROGRAM LEARNING OUTCOMES**

The 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, can be found [here](#). This course will deal primarily with learning outcomes #1, 2, and 3, and to a lesser extent with learning outcomes #4 and #5.

## **OPEN EXPRESSION AND RESPECT FOR ALL**

An important goal of the educational experience at USC Marshall is to be exposed to and discuss diverse, thought-provoking, and sometimes controversial ideas that challenge one's beliefs. In this course we will support the values articulated in the USC Marshall "[Open Expression Statement](#)."

## **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, comprises 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](#).

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.

## ACCT 561T SCHEDULE

| <b>MODULE 1: Formation of a Corporation I</b> |  |
|---|--|
| <b>Learning Outcomes</b>                      | <ol style="list-style-type: none"> <li>1. Identify and apply the basic requirements for application of Section 351 and Section 1032.</li> <li>2. Calculate the consequences of Sections 351 and 1032 for shareholders and corporations, relating to gains/losses, basis, and holding period.</li> <li>3. Compare the treatment of a shareholder transferring property and services under Section 351.</li> </ol> |
| <b>Readings</b>                               | <p>IRC §§ 351, 358, 362, 368(c), 1032, 1223(1), 1223(2)</p> <p>Regs §§ 1.351-1; 1.362-4(b), (g), (h), Examples 1, 5 and 6<br/>Rev Proc 77-37, §3.07, 1977-2 CB 568.</p> <p>B&amp;E ¶¶ 3.01, 3.02, 3.07, 3.08, 3.09, 3.10[1], [4], 3.11, 3.12[1]</p>  |
| <b>Tuesday, Aug 27</b>                        | <b>PRE-WORK:</b> Read Syllabus and complete assigned readings  |
| <b>Thursday, Aug 29</b>                       | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class   |

| <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. Analyze the tax treatment of a contribution of capital for the corporation, shareholders and non-shareholders.</li> <li>4. Evaluate the business considerations of issuing debt versus equity.</li> </ol> |
| <b>Readings</b>                                | <p>IRC §§ 61(a)(11), 108(e), 118, 357, 385, 453</p> <p>Regs §§ 1.357-1, 1.357-2<br/>Prop. Reg. §§ 1.351-2, 1.453-1(f)(3)(ii)</p> <p>Hardman v U.S., 827 F2d 1409 (9th Cir 1987)</p> <p>B&amp;E ¶¶ 3.05, 3.06, 3.10[3], 3.13, 4.01, 4.02[1], [2], [3], 4.02[4][d], 4.03[1], [3]</p>   |
| <b>Tuesday, Sep 3</b>                          | <b>PRE-WORK:</b> Complete assigned readings  |
| <b>Thursday, Sep 5</b>                         | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class   |

| <b>MODULE 3: Operational Issues and Limitations</b> |   |
|---|---|
| <b>Learning Outcomes</b>                            | <ol style="list-style-type: none"> <li>1. Determine corporate taxable income and income tax liability.</li> <li>2. Explain the rules for net operating losses.</li> <li>3. Determine the tax treatment on the disposition or worthlessness of debt and equity.</li> </ol> |
| <b>Readings</b>                                     | IRC §§ 11, 162(m), 163(j), 166, 170(b)(2), 170(d)(2), 172, 243, 246, 248, 1211(a), 1212(a)<br><br>Regs § 1.248-1<br><br>B&E ¶¶ 5.01 to 5.03 (excluding 5.03[5] to [7], [9], [10]), 5.05 to 5.05[2], 5.05[7][a] to [c], 5.06[1]  |
| <b>Tuesday, Sep 10</b>                              | <b>PRE-WORK:</b> Complete assigned readings   |
| <b>Thursday, Sep 12</b>                             | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class  |

| <b>Modules 1 through 3 homework questions (Team Assignment)</b> |   |
|---|---|
| <b>Learning Outcomes</b>  | Review outcomes of Modules 1 through 3.   |
| <b>Tuesday, Sep 17</b>  | <b>Complete homework questions for discussion in class and turn in answer to assigned question prior to 2 p.m. via the Brightspace link</b> |

| <b>Quiz 1</b>            |   |
|--------------------------|---|
| <b>Learning Outcomes</b> | Confirm outcomes of Modules 1 through 3.  |
| <b>Assignment</b>        | <b>Take the 30-minute online quiz. The exam link opens on Tuesday, September 17 at 3:30 p.m. and closes on Sunday, September 22 at 11:59 p.m.</b> |

| <b>MODULE 4: Non-Liquidating Distributions</b> |   |
|--|---|
| <b>Learning Outcomes</b>                       | <ol style="list-style-type: none"> <li>1. Determine the tax consequences of a corporate distribution of cash or property, including the impact on Current and Accumulated Earnings and Profits.</li> <li>2. Identify when a constructive dividend occurs.</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, 336(b)<br><br>Treas. Reg. §§ 1.301-1(a) to (m); 1.312-1; 1.312-6; 1.312-7; 1.312-15; 1.316-1(a); 1.316-2<br><br>Rev Rul 74-164<br><br>B&E ¶¶ 8.01 to 8.06, 8.20 to 8.23   |
| <b>Thursday, Sep 19</b>                        | <b>PRE-WORK:</b> Complete assigned readings   |
| <b>Tuesday, Sep 24</b>                         | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class  |

| <b>MODULE 5: Stock Redemptions &amp; Partial Liquidations</b> |  |
|---|--|
| <b>Learning Outcomes</b>                                      | <ol style="list-style-type: none"> <li>1. Apply the constructive ownership rules to allocate ownership of an entity.</li> <li>2. Determine when any of the Section 302(b) tests will apply to treat a redemption as a sale or exchange.</li> <li>3. Identify the tax consequences when a redemption is treated as a sale or exchange versus a Section 301 distribution.</li> </ol> |
| <b>Readings</b>   | IRC §§ 302, 312(n)(7), 318<br><br>Reg §§ 1.302-3, 1.302-4<br><br>B&E ¶¶ 9.01 to 9.05, 9.07 (excluding 9.07[3][b]), 9.22[1] first paragraph, 9.22[2] first two paragraphs, 9.22[3], 9.24[1] to [2]  |
| <b>Thursday, Sep 26</b>                                       | <b>PRE-WORK:</b> Complete assigned readings  |
| <b>Tuesday, Oct 1</b>   | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class   |

| <b>MODULE 6: 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>  | IRC §§ 305 to 307<br><br>Reg §§ 1.305-1 to -7, 1.306-1 to -3<br><br>B&E ¶¶ 8.40 to 8.42, 8.60 to 8.65  |
| <b>Thursday, Oct 3</b>                                   | <b>PRE-WORK:</b> Complete assigned readings  |
| <b>Tuesday, Oct 8</b>                                    | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class   |

| <b>Modules 4 through 6 homework questions (Team Assignment)</b> |   |
|---|---|
| <b>Learning Outcomes</b>  | Review outcomes of Modules 4 through 6.   |
| <b>Tuesday, October 15</b>                                      | <b>Complete homework questions for discussion in class and turn in answer to assigned question prior to 2 p.m. via the Brightspace link</b> |

| <b>Exam #1</b>           |   |
|--------------------------|---|
| <b>Learning Outcomes</b> | Confirm outcomes of Modules 1 through 6.                              |
| <b>Assignment</b>        | <b>Take exam during regular class session on Thursday, October 17</b> |

| <b>MODULE 7: Complete Liquidations</b> |  |
|--|--|
| <b>Learning Outcomes</b>               | 1. Compute the tax consequences for a liquidating corporation and its shareholders in a complete liquidation.        |
| <b>Readings</b>                        | IRC §§ 331, 334, 336<br><br>Reg §§ 1.331-1<br><br>Rev Rul 85-48<br><br>B&E ¶¶ 10.20, 10.21[1] to [3], 10.22 to 10.25 |
| <b>Tuesday, Oct 22</b>                 | <b>PRE-WORK:</b> Complete assigned readings  |
| <b>Thursday, Oct 24</b>                | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class   |

| <b>MODULE 8: S corporation eligibility and election</b> |   |
|---|---|
| <b>Learning Outcomes</b>                                | 1. Define restrictions on S corporation eligibility<br>2. Explain election requirements   |
| <b>Readings</b>   | IRC §§ 1361, 1362(a), (b), (c), (f), (g)<br><br>Reg §§ 1.1361-1, -2, -3, -4(a)(1) and (2); 1.1362-1, -6<br><br>Rev Ruls 87-57, 94-43; Rev Procs 2006-46, 2013-30; IRS Form 2553 and Instructions<br><br>EKB ¶¶ 3.01, 3.03[1], [2], [6], [7], [8], [13], [14], [15], 3.07, 3.08[1], [2], [3][a], [b][i], 3.09[1], 3.10[1][a], 4.01, 4.02, 4.06[1], [2], [3], 4.07, 4.08, 4.09<br><br>Skim EKB ¶¶ 3.03[9], [11], [12], 3.04, 4.03 |
| <b>Tuesday, Oct 29</b>                                  | <b>PRE-WORK:</b> Complete assigned readings   |
| <b>Thursday, Oct 31</b>                                 | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class  |

| <b>Modules 7 through 8 homework questions (Team Assignment)</b> |   |
|---|---|
| <b>Learning Outcomes</b>  | Review outcomes of Modules 7 through 8.   |
| <b>Tuesday, Nov 5</b>   | <b>Complete homework questions for discussion in class and turn in answer to assigned question prior to 2 p.m. via the Brightspace link</b> |

| <b>Quiz 2</b>            |  |
|--------------------------|--|
| <b>Learning Outcomes</b> | Confirm outcomes of Modules 7 through 8.   |
| <b>Assignment</b>        | <b>Take the 30-minute online quiz. The exam link opens on Tuesday, November 5 at 3:30 p.m. and closes on Sunday, November 10 at 11:59 p.m.</b> |

| <b>MODULE 9: S corporation allocations; stock and debt basis</b> |   |
|--|---|
| <b>Learning Outcomes</b>   | <ol style="list-style-type: none"> <li>1. Determine the method and tax consequences of allocations</li> <li>2. Calculate and apply the stock and debt basis rules</li> <li>3. Compare S corporation debt with the tax result in a partnership or LLC</li> </ol> |
| <b>Readings</b>  | IRC §§ 1366, 1367, 1377(a)<br><br>Reg §§ 1.1366-1, -2(a), 1.1367-1,-2, 1.1368-1(g)(2), 1.1377-1<br><br>Rev Ruls 64-162, 68-537, 74-44<br><br>EKB ¶¶ 7.07[1], [2], 7.13, 9.01[1], 9.02[1], [2], 9.03, 9.04, 11.01, 11.02[6], 11.05                               |
| <b>Thursday, Nov 7</b>   | <b>PRE-WORK:</b> Complete assigned readings   |
| <b>Tuesday, Nov 12</b>   | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class  |

| <b>MODULE 10: S corporation distributions</b> |  |
|---|--|
| <b>Learning Outcomes</b>                      | <ol style="list-style-type: none"> <li>1. Identify types of S corporation distributions</li> <li>2. Calculate the tax consequences of various S corporation distributions</li> <li>3. Determine planning opportunities with distributions of property</li> </ol> |
| <b>Readings</b>                               | IRC § 1368<br><br>Reg § 1.1368-1, -2, -3<br><br>EKB ¶¶ 8.01[1], [2], 8.02[1][a], [2], [4], [5], 8.03, 8.04[1], [2][a] to [c], [3], [4], [6][a] to [c], [7] [a] to [d], [9], 9.03[4][b]   |
| <b>Thursday, Nov 14</b>                       | <b>PRE-WORK:</b> Complete assigned readings  |
| <b>Tuesday, Nov 19</b>                        | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class   |

| <b>Modules 9 through 10 homework questions (Team Assignment)</b> |   |
|--|---|
| <b>Learning Outcomes</b>   | Review outcomes of Modules 9 through 10.  |
| <b>Thursday, Nov 21</b>  | <b>Complete homework questions for discussion in class and turn in answer to assigned question prior to 2 p.m. via the Brightspace link</b> |

| <b>Quiz 3</b>            |  |
|--------------------------|--|
| <b>Learning Outcomes</b> | Confirm outcomes of Modules 9 through 10.  |
| <b>Assignment</b>        | <b>Take the 30-minute online quiz. The exam link opens on Thursday, November 21 at 3:30 p.m. and closes on Sunday, November 24 at 11:59 p.m.</b> |

| <b>MODULE 11: Other corporate level taxes</b> |  |
|---|--|
| <b>Learning Outcomes</b>                      | 1. Describe basic judicial doctrines regarding corporate taxation<br>2. Calculate the potential other corporate level taxes  |
| <b>Readings</b>                               | IRC §§ 531 to 537, 541 to 543, 545, 1362(d)(3), 1363, 1371, 1374, 1375<br>Reg §§ 1.1374-1, -2, -3, -4(a), (b)<br>B&E ¶¶ 1.05[2][b] – [d], 3.17[6], 7.01 – 7.09, 7.20 – 7.24<br>EKB ¶¶ 7.06[1], [3], [4][a] through [h] |
| <b>Tuesday, Nov 26</b>                        | <b>PRE-WORK:</b> Complete assigned readings  |
| <b>Tuesday, Dec 3</b>                         | <b>PRE-WORK:</b> Prepare answers for posted discussion questions so that you can respond if called on during class   |

| <b>Modules 1 through 11 homework questions (Team Assignment)</b> |   |
|--|---|
| <b>Learning Outcomes</b>   | Review outcomes of Modules 1 through 11.  |
| <b>Thursday, Dec 5</b>   | <b>Complete homework questions for discussion in class and turn in answer to assigned question prior to 2 p.m. via the Brightspace link</b> |

| <b>Final Exam</b>        |  |
|--------------------------|--|
| <b>Learning Outcomes</b> | Confirm outcomes of Modules 1 through 11.  |
| <b>Assignment</b>        | <b>Take on Thursday, December 12 from 2:00 p.m. to 4:00 p.m. with the location TBD</b> |