

# MARYVILLE UNIVERSITY

## COURSE SYLLABUS INFORMATION

Dean/Chair Approval

**SEMESTER/YEAR:** Spring / 2010

**COURSE INFORMATION:**

**CLASS:** ACCT 412-1C      **TITLE:** Tax Planning and Decision-Making

**MEETINGS:** Saturday/ 9:00 - 11:50 AM

**DATES:** 1/16, 1/30, 2/13, 2/27, 3/13, 03/27, 4/10, 4/24

**LOCATION:** ST. CHARLES CENTER      **CREDIT HOURS:** 3

**PREREQUISITE:** ACCT 211 - Managerial Accounting

**REQUIRED TEXTS:**

- *Principles of Taxation for Business and Investment Planning*; 2010 Edition; Sally M. Jones, Shelley C. Rhoades-Catanach; McGraw-Hill/Irwin (2010)
- *Taxation for Planning and Decision-Making Supplemental Packet*; Spring 2010; Associate Instructor Lloyd Naes MBA, CPA, CFP

**SUPPLEMENTAL RESOURCE:** *RIA Checkpoint*<sup>®</sup> available through the Maryville University library online databases located at: <http://www.maryville.edu/library>.

**CLASS COMMUNICATIONS:** This course will utilize Maryville University email and the Desire2Learn (D2L) platform at <http://learn.maryville.edu>. It is your responsibility to have a Maryville University email account and check your email and the D2L course page on a regular basis.

**PRE-ASSIGNMENT:** Read Chapters 1 and 2 and be prepared to discuss the homework problems, listed on page 5 of this syllabus, for these two chapters. Monitor your Maryville email account and D2L before class begins for any additional reading assignments or guidance from your instructor.

**INSTRUCTOR INFORMATION:**

Instructor:	Lloyd Naes MBA CPA CFP
Office Location:	ABAC
Work Phone:	314-567-8351
Fax Number:	314-567-9996
Maryville Voice Mailbox:	314-529-9201 plus ext. 3113
Email Address:	<a href="mailto:lnaes@maryville.edu">lnaes@maryville.edu</a>
Office Hours:	Scheduled at student's request

**COURSE DESCRIPTION:** This course will focus on the fundamental concepts of common tax regulations and provide a broad overview of corporate and partnership taxation and individual tax planning issues. Specific topics include: the framework of the tax system; fundamentals of tax planning; the taxation of sole proprietorships, flow-through entities, and corporations; and the tax treatment of fringe benefits and investment assets.

**COURSE OBJECTIVES:** The main objective of this course is to develop an understanding of the role taxes play in financial and managerial decision-making and how taxes motivate people and institutions to engage in certain activities. Specifically, after successful completion of this class, you will be able to:

- Understand the statutory, administrative and judicial sources of the tax law.
- Locate tax law and apply tax research techniques to realistic tax issues.
- Understand basic tax terminology and formulas for computing the tax base for various types of taxes.
- Identify and apply the standards for a good tax to various taxing systems.
- Understand the four variables that determine the tax consequences of a transaction.
- Interpret and utilize the four basic tax-planning maxims.
- Integrate tax costs and savings into net present value calculations using after-tax cash flows.
- Incorporate depreciation deductions into the computation of net present value.
- Develop an understanding of the tax treatment of various business, personal and investment decisions.
- Determine how the choice of business entity (sole proprietorship, partnership, and corporation) affects the tax ramifications of the entity, its owners and its employees.
- Identify the tax consequences of the most common employee fringe benefits.
- Become acquainted with the tax treatment of investments in financial assets.

**ATTENDANCE:** Because of the concentrated nature of the MBA program, you are expected to attend every class. *If you miss a class, it is your responsibility to find out what material was discussed by contacting a classmate.* Because successful completion of this course depends on class attendance, excessive absences, arriving late to class or leaving early, even if necessary, may result in a grade that does not reflect your capabilities. *Attendance for the first class session is mandatory. A student who misses more than 6 hours of class is required to withdraw from the course.*

**PROFESSIONALISM:** Communicating effectively is vital in today's business world and is therefore a factor in the determination of your overall course grade. This factor will apply to all assignments. I expect that anything you turn in to me will look professional. Professional means that documents are typed (and for this class double spaced) or prepared using a spreadsheet application, grammar is correct and there are no spelling errors. I understand that some points of grammar are open for interpretation, but for instance, complete sentences either are or are not. Please use a stapler when submitting an assignment that includes two or more pages.

**COURSE REQUIREMENTS AND GRADING SCALE:**

Total Points Available

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<u>Total Points Earned</u>	<u>Course Letter Grade</u>
940 and above	A
900 - 939	A-
870 - 899	B+
830 - 869	B
800 - 829	B-
770 - 799	C+
730 - 769	C
700 - 729	C-
600 - 699	D
Below 600	F

**EXAMINATIONS:** There will be a combination of take-home and in-class examinations during the semester. The take-home exams are not group projects and you are to complete it without sharing your work with others inside or outside the class. *By becoming a member of this class, you are demonstrating an interest in a profession that is distinguished by its integrity and objectivity. Honesty in your academic work will develop into professional integrity.*

**PARTICIPATION:** Significant responsibility is placed on you to properly prepare for class as we have a large amount of material to cover in each session. Preparation includes (1) reading the assigned chapters, (2) attempting all of the class discussion problems and (3) identifying questions that you need answered. Class time will not allow coverage of all topics and problems, but you are responsible for all material in the assigned chapters. Because of the importance of discussing the course concepts, you will be expected to participate in class discussions on a regular basis. Participation is a function of your willingness to share your ideas with the class in terms of both questions and answers. *There is no specific grade for class participation, however, substantive contributions to class discussions may factor into your overall grade.*

**CLASS DISCUSSION PROBLEMS:** These problems are listed on the "Course Schedule and Class Preparation" section of this syllabus. You should be familiar with these problems on the week indicated. Although these problems will not be collected for a grade, completion of all suggested problems is necessary for you to fully understand the course material and be adequately prepared for class discussions, assignments and the examination.

**ACADEMIC ACCOMMODATIONS:** Maryville University provides accommodations and supports for students with disabilities as defined by the Americans with Disabilities Act. If you have a documented disability and wish to discuss academic accommodations, please contact your instructor and/or the Director of the Academic Success Center located in the University Library (314-529-6850).

**HELPFUL WEBSITES:**

Federation of Tax Administrators	<a href="http://www.taxadmin.org">www.taxadmin.org</a>
Internal Revenue Service	<a href="http://www.irs.gov">www.irs.gov</a>
United States Code (including the IRC)	<a href="http://www.law.cornell.edu/uscode">www.law.cornell.edu/uscode</a>
Missouri Department of Revenue	<a href="http://dor.mo.gov/tax">http://dor.mo.gov/tax</a>
Essential Links – Taxes	<a href="http://www.el.com/links/links4.html">www.el.com/links/links4.html</a>
TaxAlmanac	<a href="http://www.taxalmanac.org">www.taxalmanac.org</a>
Tax and Accounting Sites Directory	<a href="http://www.taxsites.com">www.taxsites.com</a>
Tax Foundation	<a href="http://www.taxfoundation.org">www.taxfoundation.org</a>
Tax Resources on the Web	<a href="http://taxtopics.net/index.htm">http://taxtopics.net/index.htm</a>
Legalbitstream	<a href="http://www.legalbitstream.com">www.legalbitstream.com</a>

**TAXES FOR PLANNING AND DECISION-MAKING - ACCT 412-1C**  
**COURSE SCHEDULE AND CLASS PREPARATION**  
**Spring 2010**

QPD: Questions and Problems for Discussion  
AP: Application Problems  
IRP: Issue Recognition Problems  
TPC: Tax Planning Cases

The problems listed below will not be collected, but you should be familiar with them on the session indicated so that you have a better understanding of the course material and can participate in class discussions. These problems are located in your textbook at the end of each chapter. We will have a quiz each class session to allow you to self-assess your understanding of currently assigned material and to stimulate class discussion.

**Session 1 – January 16**

Chapter 1 – Course overview; basic terminology; tax jurisdictions; types of taxes; sources of federal tax law; factors underlying tax law development.

QPD 2, 6, 13

AP 4, 8, 9

IRP 4

Tax Research – locating tax law sources using the Internet.

Chapter 2 – standards for a good tax; income effect and substitution effect; regressive, proportionate and progressive tax rate structures; marginal and average tax rates.

QPD 1, 3, 10, 14

AP 3, 4, 7

IRP 4

**Session 2 – January 30**

Chapter 3 – after tax costs and benefits; role of NPV in decision-making; uncertainties; transactional markets.

QPD 1, 2, 3, 7, 10

AP 5, 8, 12, 13, 16

IRP 3

Chapter 4 – the four variables that determine tax consequences; income tax planning maxims; implicit vs. explicit taxes.

QPD 4, 10, 11, 13

AP 1b, 1c, 2b, 8, 14, 15, 16

### **Session 3 – February 13**

Chapter 16 (pages 467-484) – investments in financial assets and recognition of taxable income; capital gains and losses of individual taxpayers.

QPD 1, 4

AP 2, 3, 6, 11, 21, 22

AP 22 (Chapter 10)

Chapter 6 – gross income; taxable income; tax year; accounting methods; book/tax differences; NOLs.

QPD 7, 10

AP 3, 9, 23, 26, 29

IRP 2, 5

Chapter 7 – capitalized costs; cost recovery; tax basis; unicap rules (§263A); MACRS; direct expensing (§179); bonus depreciation; Form 4562.

QPD 3, 7, 9, 13

AP 4, 5, 7, 11 (use cost of \$1,200,000), 13 (ignore §179), 15, 17 (change part b to \$857,000 and part c to \$1,075,000)

IRP 3 TPC 2

### **Session 4 – February 27**

Chapter 10 – sole proprietorships (Schedule C), partnerships (Form 1065); guaranteed payments, partnership basis; LLCs.

QPD 2, 7, 11, 12

AP 4, 7, 10, 13, 14, 17, 19, 20, 21

### **Session 5 – March 13**

Chapter 10 – continued; S corporations (Form 1120S).

AP 23, 24

### **Session 6 – March 27**

Chapter 11 – regular corporations (Form 1120); legal characteristics; dividends-received deduction; Schedules M-1 and M-3.

AP 5, 7, 12, 13, 26

TPC 2

## **Session 7 – April 10**

Chapter 8 (pages 191-212) – property dispositions; amount realized; related party losses; capital assets; wash sales; Form 4797; Schedule D.

QPD 5, 11

AP 3, 5, 20, 40

Chapter 15 – compensation and retirement planning; employee vs. independent contractor; reasonable compensation; fringe benefits; stock options; employment-related expenses; retirement plans.

QPD 5, 6, 7, 9

AP 2, 3, 7, 8, 16, 18

## **Session 8 – April 24**

FINAL EXAMINATION

THIS SYLLABUS AND ASSIGNMENT SCHEDULE ARE SUBJECT TO CHANGE AT THE DISCRETION OF THE INSTRUCTOR. IT IS THE STUDENT'S RESPONSIBILITY TO STAY INFORMED OF SUCH CHANGES.