Lives of Significance and Service
NORTH PARK UNIVERSITY CHICAGO

School of Business and Nonprofit Management
Course Syllabus

Course: SBNM 5130-B2 Corporate Tax Accounting
Academic Year: 2012/13 **Semester/Quad: Fall 2012 Quad B**
Credit Hours: 2
Prerequisites: 5110

Instructor: Brian Jackson, CPA, MBA

Phone: 773-244-6270

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Availability:

Appointments will be scheduled in the evening. This includes meeting after class. All appointments will be confirmed by email.

Course Description:

A study of the political, economic and social influences on federal income tax legislation. The course covers decisions related to individual taxation, including income, deductions, property transactions and employee tax issues.

Introductory Comments:

Learning Outcomes - By the completion of this course the student will:
1) Be familiarized with global tax environment.
2) Develop an understanding in developing a methodology for incorporating tax factors into business decisions.
3) Focus on the quantification of business taxable income.
4) Demonstrate to the students how to calculate the tax on business income.
5) Present the important procedural and administrative issues confronting taxpayers.

Course Materials:

Required Textbook: Taxation of Individuals and Business Entities, 2013 Edition
Brian Spilker
ISBN 978-0-07-802546-4

Essential IDEA Objectives:

1. Gaining factual knowledge (terminology, classifications, methods, trends).
2. Learning fundamental principles, generalizations, or theories.
3. Developing specific skills, competencies, and points of view needed by professionals in the field most closely related to this course.

Computer Requirements:

In order to effectively participate in and successfully complete this course, each participant will need to have access to a computer and a high-speed internet connection. Please visit http://www.northpark.edu/Campus-Life-and-Services/Information-Technology/Network/Minimum-Requirements for information on computer requirements.

Schedule of Weekly Assignments:

[In the table below, enter weekly assignment information (.e.g., reading assignments, papers or projects due, discussion forums, etc.). For quad courses, delete unnecessary rows.]

Week	Dates	Topics	Assignment(s)
1	*10/23/12*	*Entities Overview / Corporate Operations*	*Read Chapters 15,16* *Homework – P15-52, P15-57, P16-55*
2	*10/30/12*	*Accounting for Income Taxes / Corporate Taxation: Nonliquidating Distributions*	*Read Chapters 17,18* *Homework – P17-51, P17-52, P18-40*
3	*11/6/12*	*Corporate Formation, Reorganization, and Liquidation / Forming and Operating Partnerships*	*Read Chapters 19,20* *Homework – P19-36, P20-37, P20-41*
4	*11/13/12*	*Midterm Examination*	*Chapters 15-20*
5	*11/20/12*	*Disposition of Partnership Interests and Partnership Distributions / S Corporations*	*Read Chapters 21,22* *Homework – P21-32, P22-41*
6	*11/27/12*	*State and Local Taxes / The U.S. Taxation of Multinational Transactions*	*Read Chapters 23,24* *Homework – P23-34, P24-48*
7	*12/4/12*	*Cumulative Final Examination*	*Chapters 15-24*

Grading:

[In the table below, give a quantitative breakdown of the elements of the course grade. Generally, a point system is used, specifying points attributable to each assignment. Add/delete rows as necessary]

Assignment	Points	Grade %
Enter assignment name	Indicate # of points attributable to this assignment	Indicate percentage of overall grade attributable to this assignment, e.g., 20%
Homework	250	50%
Midterm	55	11%
Class Participation	70	14%
Final Exam	125	25%
Total	*500*	100%

Grade Mapping:

[In the table below, enter the specific range of points required to attain each letter grade. The percentages shown are general guidelines, these percentages can be adjusted if desired. Note that for graduate courses, grades of D+, D and D- are not typically given so those cells can be omitted in that case.]

Numeric Grade	Letter Grade	Numeric Grade	Letter Grade	Numeric Grade	Letter Grade
	A (95-100%)		B- (80-82%)		D+ (67-70%)

Numeric Grade	Letter Grade	Numeric Grade	Letter Grade	Numeric Grade	Letter Grade
	A- (90-94%)		C+ (77-79%)		D (63-66%)
	B+ (87-89%)		C (73-76%)		D- (60-63%)
	B (83-86%)		C- (70-72%)		F (<60%)

Assignment Grading Policies:

Assignments are due on the date indicated in the syllabus and in class. Every day that an assignment or exam is late will result in a drop of one letter grade.

Student Responsibilities:

Because of The School of Business and Non Profit Management's (SBNM) accelerated format, it is imperative that students are well prepared, on time, and present at all class sessions. Attendance is required for student success in the coursework. For that reason, there are no "free" or "automatic" absences. Any unexcused absence, regardless of reason, will lower the student's final course grade by one-half letter grade (e.g. a final grade of B would become a B- as the result of one absence). Students who miss three (3) or more class sessions, and who do not drop the class, will receive a grade of either F or DW (dropped without permission). Students who find themselves unable to maintain adequate attendance are encouraged to drop the class and retake it at a later time.

Chronic tardiness may also result in a negative impact on a final course grade. And attendance alone does not constitute adequate course participation. In other words, mere presence in the classroom does not guarantee the full range of participation points possible for a class session. Active and insightful engagement earns those points.

ASSIGNMENT SPECIFICATIONS

ASSIGNMENT #1

Assignment Specifications: Chapter 15 and 16, HW P15-52, p15-57, P16-55 (10 points)

- Discuss the legal and nontax characteristics of different types of legal entities
- Describe the different types of entities for tax purposes
- Identify fundamental differences in tax characteristics across entity types.
- Describe the corporate income tax formula, compare and contrast the corporate to the individual tax formula, and discuss tax considerations relating to corporations' accounting periods and accounting methods.
- Identify common book-tax differences, distinguish between permanent and temporary differences, and compute a corporation's taxable income and regular tax liability.
- Describe a corporation's tax return reporting and estimated tax payment obligations.
- Explain how to calculate a corporation's alternative minimum tax liability.

ASSIGNMENT #2

Assignment Specifications: Chapter 17 and 18, HW P17-51, P17-52, P18-40 (10 points)

- *Explain the objectives behind FASB ASC Topic 740 Income Taxes and the income tax provision process.*
- *Calculate the current and deferred income tax expense or benefit components of a company's I income tax provision.*
- *Recall what a valuation allowance represents and describe the process by which it is determined.*

- *Explain how a company accounts for its uncertain income tax positions under FASB ASC Topic 740 (the codification of FASB Interpretation (FIN) No. 48, Accounting for Uncertainty in Income Taxes).*
- *Recognize the different components of a company's disclosure of its income tax accounts in the financial statements and footnotes and comprehend how a company computes and discloses the components of its "effective tax rate."*
- *Explain the basic tax law framework that applies to property distributions from a corporation to a shareholder.*
- *Compute a corporation's earnings and profits and calculate the dividend amount received by a shareholder.*
- *Identify situations in which a corporation may be deemed to have paid a "constructive dividend" to a shareholder.*
- *Explain the basic tax rules that apply to stock dividends.*
- *Comprehend the different tax consequences that can arise from stock redemptions.*
- *Describe a partial liquidation from a stock redemption and the difference in tax consequences to the shareholders.*

ASSIGNMENT #3

Assignment Specifications: Chapter 19 and 20, HW P19-36, P20-36, P20-37, P20-41 (10 points)

- *Recall the general tax rules that apply to property transactions.*
- *Compute the tax consequences to the parties to a tax-deferred corporate formation.*
- *Identify the different forms of taxable and tax-deferred acquisitions.*
- *Determine the tax consequences to the parties to a corporate acquisition.*
- *Calculate the tax consequences that apply to the parties to a complete liquidation of a corporation.*
- *Determine whether a flow-through entity is taxed as a partnership or S corporation and distinguish the entity approach from the aggregate approach for taxing partnerships.*
- *Resolve tax issues applicable to partnership formations and other acquisitions of partnership interests, including gain recognition to partners and tax basis for partners and partnerships.*
- *Determine the appropriate accounting periods and methods for partnerships.*
- *Calculate and characterize a partnership's ordinary business income or loss and its separately stated items and demonstrate how to report these items to partners.*
- *Explain the importance of a partner's tax basis and the adjustments that affect it.*
- *Apply the basis, at-risk, and passive activity loss limits to losses from partnerships.*

ASSIGNMENT #4

Midterm Exam – During this session, students will be tested on Chapters 15 through 20 (55 points)

ASSIGNMENT #5

Assignment Specifications: Chapter 21 and 22, HW P21-32, P22-41 (10 points)

- Determine the tax consequences to the buyer and seller of the disposition of a partnership interest, including the amount and character of gain or loss recognized.
- List the reasons for distributions, and compare operating and liquidating distributions.
- Determine the tax consequences of proportionate operating distributions.
- Determine the tax consequences of proportionate liquidating distributions.
- Explain the significance of disproportionate distributions.
- Explain the rationale for special basis adjustments, determine when they are necessary, and calculate the special basis adjustment for dispositions and distributions.
- Describe the requirements and process to elect S corporation status.

- Explain the events that terminate the S corporation election.
- Describe operating issues relating to S corporation accounting periods and methods, and explain income and loss allocations and separately stated items.
- Explain stock-basis calculations, loss limitations, determination of self-employment income, and fringe benefit rules that apply to S corporation shareholders.
- Apply the tax rules for S corporation operating distributions and liquidating distributions.
- Describe the taxes that apply to S corporations, estimated tax requirements, and tax return filing requirements.

ASSIGNMENT #6

Assignment Specifications: Chapter 23 and 24, HW P23-34, P24-48 (10 points)

- Describe the primary types of state and local taxes.
- Determine whether a business has sales and use tax nexus and calculate its sales tax withholding responsibilities.
- Identify whether a business has income tax nexus and determine its state income tax liabilities.
- Understand the basic U.S. framework for taxing multinational transactions and the role of the foreign tax credit limitation.
- Apply the U.S. source rules for common items of gross income and deductions.
- Recall the role of income tax treaties in international tax planning.
- Identify creditable foreign taxes and compute the foreign tax credit limitation.
- Distinguish between the different forms of doing business outside the United States and list their advantages and disadvantages.
- Comprehend the basic U.S. anti-deferral tax regime and identify common sources of subpart F income.

ASSIGNMENT #7

Cumulative Final Exam – During this session, students will be tested on Chapters 15 through 24 (125 points)

POLICY STATEMENTS

<u>Academic Honesty</u>

In keeping with our Christian heritage and commitment, North Park University and the School of Business and Nonprofit Management are committed to the highest possible ethical and moral standards. Just as we will constantly strive to live up to these high standards, we expect our students to do the same. To that end, cheating of any sort will not be tolerated. Students who are discovered cheating are subject to discipline up to and including failure of a course and expulsion.

Our definition of cheating includes but is not limited to:

1. Plagiarism – the use of another's work as one's own without giving credit to the individual. This includes using materials from the internet.
2. Copying another's answers on an examination.
3. Deliberately allowing another to copy one's answers or work.
4. Signing an attendance roster for another who is not present.

In the special instance of group work, the instructor will make clear his/her expectations with respect to individual vs. collaborative work. A violation of these expectations may be considered cheating as well.
For further information on this subject you may refer to the Academic Dishonesty section of the University's online catalog.

In conclusion, it is our mission to prepare each student for a life of significance and service. Honesty and ethical behavior are the foundation upon which such lives are built. We therefore expect the highest standards of each student in this regard.

Attendance Policy for Graduate Courses

The graduate courses in the SBNM are all 7 weeks in length. Missing one class session is allowed without penalty as long as all readings and assignments are made up by the student within a reasonable time period (the following week). Failing to log into an online course site for an entire week is allowed, but a penalty may be applied at the instructor's discretion. Missing a second class session is allowed only in unusual circumstances by prior arrangement with the instructor. Since this represents almost 30% of the engagement time for the course, the student runs the risk of receiving a lower overall grade for the class. Faculty are encouraged to drop the course grade by a full letter grade in this situation. A student who misses three classes (or the equivalent for an online class) will automatically fail the course, unless the student drops the course before the seventh week of class. Students who drop a course will be held responsible for tuition, based upon the current North Park University policy outlined in the University Catalog (found on the NPU website).

APA Requirement

The School of Business and Nonprofit Management (SBNM) has adopted the *Publication Manual of the American Psychological Association* (APA) as the standard and required format for all written assignments in SBNM courses.

Our goal in adopting the *APA Manual* is to enhance student learning by:

1) Improving student's writing skills.
2) Standardizing the required format of all written assignments in all SBNM courses.
3) Emphasizing the importance of paper mechanics, grammatical constructs, and the necessity of proper citations.
4) Holding students accountable for high quality written work.

If you are unfamiliar with the requirements of the *APA Manual*, we recommend that you purchase the reference manual and/or that you consult one or more of the suggested resources as listed on the Student Resources section of the SBNM website. ***It is your responsibility to learn and ensure that all written work is formatted according to the standards of the APA Manual.***

Students with Disabilities

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact your program's office (Business: 773-244-6270). Please do so as soon as possible to better ensure that such accommodations are implemented in a timely manner. For further information please review the following website: http://www.northpark.edu/ada