The Cameron School of Business at University of St. Thomas

1. Course Information

Course Title: Taxation of Business Entities  
Course Number: ACCT 5362  
Course Section: A  
Class Number: 2729  
Credit Hours: 3  
Semester: Spring 2016  
Prerequisites: ACCT 5353 (Federal Tax Concepts for Individuals) or its equivalent  
Room: TBA  
Days & Hours: Tuesday 7:00 p.m. – 9:45 p.m.  
Web Page: [http://gregory.stthom.edu](http://gregory.stthom.edu). Course handouts and other course information have been posted to the course web page. It is the student’s responsibility to print all chapter lecture notes and handouts and bring them to class.

2. Instructor Information

Name: Ramon Fernandez, MBA, CPA, CFP®, CMA, CIA  
Office Location: Welder Hall, Room 214  
Office Phone: 713-525-2103, leave message with voice mail  
Office Hours:  
Mon.  6:00 p.m. – 7:00 p.m.  
Tues.  12:15 p.m. – 2:00 p.m. & 6:00 p.m. – 7:00 p.m.  
Wed.  12:30 p.m. – 2:00 p.m.  
Thurs.  12:15 p.m. – 2:00 p.m.  
And at other times by appointment  
Assignments: Assignments should be submitted in person at the start of the class in which they are due.  
Emergencies: Call me on office phone and home phone and leave a message  
E-mail Address: ramonf@stthom.edu or ramonf@ix.netcom.com  
Fax Number: Not Available --- DO NOT FAX OR E-MAIL ASSIGNMENTS  
Home Phone: 713-524-9359, leave message with voice mail

3. Course Catalog Description

The purpose of this course is to address federal income tax issues pertinent to various business entities and their owners. Consideration is given to how federal tax law affects the formation and operation of corporations, partnerships, and S corporations. Distributions to owners and the liquidation of these entities are also covered.

4. Program Goals and Objectives

When students complete the MSA degree at the University of St Thomas – Houston:

1. **They will be critical thinkers.**  
   Objective 1: Students will synthesize and analyze information resulting in improved business practices.  
   Objective 2: Students will demonstrate an understanding of the economic and financial consequences of accounting policy decisions.

2. **They will be ethical leaders.**  
   Objective 1: Students will identify accounting dilemmas, citing relevant ethical and moral authority.  
   Objective 2: Students will apply accounting ethical standards to business situations.
3. They will work effectively in teams towards achievement of goals.

   Objective 1: Students will work collectively towards team objectives.
   Objective 2: Students will effectively lead a team in a group project.

4. They will communicate effectively.

   Objective 1: Students will deliver professional business presentations.
   Objective 2: Students will prepare coherent and professional business writings.
   Objective 3: Students will conduct professional research on accounting issues.

5. They will be equipped to succeed in the accounting profession.

   Objective 1: Students will have sufficient knowledge in auditing to take the CPA exam.
   Objective 2: Students will have sufficient knowledge in government/non profit accounting to take the CPA exam.
   Objective 3: Students will have sufficient knowledge in taxation to take the CPA exam.
   Objective 4: Students will have sufficient knowledge in financial accounting to take the CPA exam.
   Objective 5: Students will have sufficient knowledge in managerial accounting to take the CPA exam.
   Objective 6: Students will demonstrate proficiency in accounting information systems.
   Objective 7: Students will demonstrate knowledge of the impact of global accounting practices and currencies on financial reporting.

5. Course Learning Objectives (and relationship to program goals and objectives)

Upon successful completion of this course, the student will be able to:

1. Think critically and demonstrate creative decision making related to the tax aspects of a business situation. (MSA Goal #1)

2. Bring ethical principles to bear in resolving taxation issues. (MSA Goal #2)

3. Work effectively in teams by participating in the volunteer income tax service learning project. (MSA Goal #3)

4. Communicate clearly and effectively the federal tax aspects of a business situation, producing professional business writings that are coherent and professional. (MSA Goal #4)

5. Demonstrate an understanding of the fundamental taxation issues related to individuals, C corporations, S corporations, partnerships, estates and gifts, and estates and trusts to take the CPA Exam. (MSA Goal #5)

6. Texts, Readings, Materials


Electronic Study Guide to Accompany Federal Taxation, (recommended), www.prattkulsrud.com


7. Instructional Methods

This course will utilize a lecture format complemented with class problem solving, group discussion, and a group project.
8. Technology

This course requires the use of technology for the Blackboard course website (see above) where chapter lecture notes, course handouts, and other course information have been posted for the student’s download and printing. It also requires the students to use technology for tax research.

9. Course Schedule --- See Last Two Pages

10. Course Policies

Attendance/Lateness:

It is the student's responsibility to be on time for class as I will check attendance at the start of each class through the use of a sign in sheet. A student who is late will not be allowed to sign the attendance sheet. A student who does not stay the entire class period will not receive credit for attending class that day. NO EXCEPTIONS!

Class Participation:

Along with attendance, the student is expected to participate in class discussions. In the case of borderline grades, a subjective evaluation may be made taking into account class attendance, class participation, completion of assignments and general attitude. This evaluation, if favorable, may be used to possibly raise your grade. It will not be used to lower your grade.

Make-Up Exams:

A student who is unable to attend a major test or exam due to illness or other emergency is required to contact his/her instructor within 24 hours of the exam time. Contact with the instructor means a direct verbal communication with the instructor, either in person or by phone. Each instructor will provide his/her office or home phone numbers to all students. It is the student's responsibility to keep these phone numbers available for use.

A student who misses a major examination and does not contact his/her instructor within 24 hours will receive a score of zero (0) on the exam.

Missed Assignments:

Assignments are due at the start of the class period on the day they are scheduled to be turned in. A late assignment will result in a one letter grade reduction for each day late.

Extra Credit Opportunities:

Up to 12 points may be added to a student’s total points in the course (600 total points in this course) if he/she attends up to three (a) Accounting Society speaker meetings (or other professional accounting association) and/or (b) one-page summaries of accounting articles in current professional journals. See Bonus Assignment handout for further details.

Cell Phones, Electronic Media:

During lectures, please turn off cell phones. If you will be using a laptop for note taking, please refrain from other activities on the laptop.

During exam, please turn off cell phones. There is no electronic media allowed during examinations.

11. Student Grading Processes
**Grade Determination:**

Your grade in this three-credit course will be determined as follows:

1. **Tests 1 and 2 (100 pts. each)**  
   See course outline for dates.  
   **33%**  
   **200 points**

2. **Volunteer Income Tax Assistance (VITA) Service Learning Project And Journal**  
   **10%**  
   **60 points**

3. **Partnership Tax Research Study**  
   See course outline for due date  
   **12%**  
   **70 points**

4. **S Corporation Tax Research Study**  
   See course outline for due date  
   **12%**  
   **70 points**

5. **Quizzes (6 @ 10 pts.). See course outline for dates.**  
   Seven quizzes; drop lowest quiz.  
   **10%**  
   **60 points**

6. **Class Attendance**  
   (1 pt. per lecture session)  
   **2%**  
   **15 points**

7. **Final Exam.**  
   See course outline for date.  
   **21%**  
   **125 points**

**100%**  
**600 points**

**COMMUNICATIONS COMPONENT:** This course has been designated to meet the two-hour requirement in accounting communications set by the Texas State Board of Public Accountancy. Throughout the course, we will discuss basic writing mechanics and effective business writing principles, including organization, clarity, and conciseness. The course includes two tax research case studies as well as four reports from the service learning project. As part of both the mid-term and final exams you will write memos or letters in answer to client tax questions. These writings will be graded for both technical accuracy and writing skills.

In this class the final course grade will be determined using the following grade scale:

- **93.0 - 100%**  
  **A**
- **90.0 - 92.9%**  
  **A-**
- **88.0 - 89.9%**  
  **B+**
- **83.0 - 87.9%**  
  **B**
- **80.0 - 82.9%**  
  **B-**
- **78.0 - 79.9%**  
  **C+**
- **73.0 - 77.9%**  
  **C**
- **60.0 - 72.9%**  
  **C-**
- **Below 60.0%**  
  **F**

**I do not give Incompletes.**
Drop Dates:

If you decide you do not wish to continue the course, it is your responsibility to go through the proper channels and officially drop the course.

The last day to drop with a grade of "W" (a non-computed grade) is Saturday, April 23, 2016.

After April 23, 2016 the only grades that can be assigned are those in accordance with the grading scale above.

12. Available Support Services

The university offers a Tutoring Services Center that provides free tutoring in many disciplines, including accounting. It is located on the second floor of Crooker Center, Room 207, 713-525-3878, tutoring@stthom.edu. Students are encouraged to consult with tutors at this Center when completing assignments for this course. Based on the instructor’s assessment of the student’s work, the student may be required to work with the tutors at the Center to improve the student’s skills.

The Cameron School of Business at University of St. Thomas

MISSION STATEMENT

Inspired by the Basilian Fathers’ motto of Goodness, Discipline and Knowledge, the Cameron School of Business provides a comprehensive, high quality, ethically-oriented business education to a diverse student body enabling graduates to serve as leaders of faith and character in a global economy.

ACADEMIC HONESTY

Ethical conduct is essential to a community of scholars and students searching for the truth. Anything else than total commitment to honesty and honorable conduct undermines the efforts of the entire community. Academic integrity lies at the very heart of any institution of higher learning. In the Cameron School of Business, students and faculty are expected to commit to a code that exemplifies each individual’s honor and integrity. Any conduct that violates this standard and betrays the respect of others is a matter of grave concern and, accordingly, is deemed unacceptable. The University of St. Thomas Policy on Academic Dishonesty is strictly enforced in this course. No violations of this policy will be tolerated. In this course, the penalty for academic dishonesty is an F in the course. The university’s policy is included in the UST Student Handbook, http://libguides.stthom.edu/plagiarism. Students are expected to be familiar with this policy.

ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES

The University of St. Thomas abides by the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, which stipulates that no student shall be denied the benefits of an education "solely by reason of her or his disability." If you have a documented disability that may impact your performance in this class and for which you may require accommodations, you must be registered with and provide documentation of your disability in a timely manner to Counseling and Disability Services which is located on the second floor of Crooker Center (telephones 713-525-6953 or 713-525-3162).
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<th>DAY</th>
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<th>QUIZ</th>
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<td>JAN</td>
<td>19</td>
<td>14</td>
<td>Introduction to Course</td>
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<td>14 (1-30)</td>
<td>Property Transactions: Basis</td>
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<td>Recognition of Gain/Loss</td>
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<td>Installment Sales</td>
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<td>15 (15-39)</td>
<td>Nontaxable Exchanges</td>
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<td>15 (1-15)</td>
<td>Sale of Personal Residence</td>
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<tr>
<td>Tu</td>
<td>FEB</td>
<td>2 #1</td>
<td>16 (1-43)</td>
<td>Capital Gains &amp; Losses, Sec 1244, Worthless Securities</td>
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<td>17 (1-42)</td>
<td>Secs. 1231, 1245 &amp; 1250</td>
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<td>Tu</td>
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<td>#2</td>
<td>19 (1-18)</td>
<td>Introduction to Corporations</td>
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<td>19 (18-28)</td>
<td>Tax Computation and Filing</td>
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<td>#3</td>
<td>19 (29-37)</td>
<td>Corporate Formation</td>
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<td>19 (29-37)</td>
<td>Corp. Formation; Review</td>
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<td>13 (1-24)</td>
<td>TEST 1 (Chs. 14-17, 19)</td>
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<td>Corp. Alternative Minimum Tax</td>
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<td>20 (1-7)</td>
<td>Dividends and E&amp;P</td>
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<td>20 (8-13)</td>
<td>Cash, Property, Constructive &amp; Stock Dividends</td>
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<td>#4</td>
<td>20 (13-22)</td>
<td>Stock Redemptions</td>
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<td>20 (22-30)</td>
<td>Complete Liquidations: Effect on Shareholder &amp; Corporation</td>
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<td>#5</td>
<td>21 (1-15)</td>
<td>Accumulated Earnings Tax</td>
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<td>21 (15-33)</td>
<td>Personal Holding Co. Tax; Review</td>
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<td>NO CLASS – SPRING BREAK</td>
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<td>22 (1-12)</td>
<td>TEST 2 (Chs. 13, 20, 21)</td>
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<td>Partnership: Definition &amp; Formation</td>
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<td>22 (12-23)</td>
<td>Partnership Operation</td>
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<td>22 (24-49)</td>
<td>Partnership Distributions, Dispositions &amp; Terminations</td>
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ASSIGNED HOMEWORK:

- Introduction to Course: 21, 22, 23, 24, 25
- Recognition of Gain/Loss: 26, 27, 28, 31, 33
- Nontaxable Exchanges: 42, 43, 44, 37
- Sale of Personal Residence: 27, 28, 30, 31
- Capital Gains & Losses, Sec 1244, Worthless Securities: 22, 24, 28, 29, 31
- Secs. 1231, 1245 & 1250: 36, 41, 42, 44, 47
- Stock Redemptions: 40, 41, 42, 43, 44, 45, 46, 47
- Complete Liquidations: Effect on Shareholder & Corporation: 48, 49, 50
- Accumulated Earnings Tax: 25, 26
- Personal Holding Co. Tax: 31, 32, 34, 39, 40
- Partnership: Definition & Formation: 9, 23, 24, 25, 29, 30
- Partnership Operation: 31, 32, 36, 37, 39, 40
- Partnership Distributions, Dispositions & Terminations: 44, 50, 57 (a, b, & c), 61
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<tr>
<td>Tu</td>
<td>APR</td>
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<td>23 (1-15)</td>
<td>S. Corp: Eligibility &amp; Election</td>
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<td>52-62)</td>
<td>S. Corp. Operation</td>
<td>23, 24, 25, 26, 33, 48, 49, 51</td>
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<td>23 (42-52)</td>
<td>S. Corp. Distributions</td>
<td>36, 37, 40, 43, 44</td>
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<td><strong>Partnership</strong></td>
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<td><strong>Research Case</strong></td>
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<td>24 (1-15)</td>
<td>Gift Tax</td>
<td>19, 20, 21, 23, 24</td>
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<td>24 (15-35)</td>
<td>Estate Tax</td>
<td>29, 30, 38, 43</td>
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<td>#7</td>
<td>25 (1-30)</td>
<td>Income Taxation: Estates &amp; Trusts</td>
<td>21, 22, 23, 25, 26, 30</td>
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<td><strong>S Corp Research</strong></td>
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<td><strong>Case Study Due</strong></td>
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<td>Tu</td>
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<td><strong>FINAL EXAM (comprehensive)</strong></td>
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*The above schedule is subject to change in the event of circumstances beyond the instructor’s control.*