Course Number: Accountancy 3403-10

Class Time and Place: Rome 202; Tuesday/Thursday 2:20 to 3:35.

Course Description:

Taxation of partnerships, corporations, and their owners. Formation, operation, and liquidation of each type of entity. Corporate reorganizations. Overview of international tax concepts.

Prerequisite: Accountancy 2001 and 3401

Required Materials:

1. Internal Revenue Code sections and Treasury regulations posted on Blackboard.

Course Objective:

By the end of the course, you should be able to analyze the facts of typical corporate and partnership transactions from both a domestic and international perspective, apply the controlling principles of U.S. tax law and, and effectively communicate the conclusions that you reach.

Method of Grading: Note: Exams will be in class, open book.

Homework 10%
Participation 10%
Midterm 40%
Final 40%

Method of Instruction:

Classes will generally begin with a review of the previous week’s homework assignment (if any) followed by a lecture on the topic to be covered. The remaining time will be devoted to examples. Students are strongly encouraged to work the homework problems (if any) prior to class.

Students will be expected to participate in class. Also, questions are always welcome; however, in the interest of time management, questions regarding topics, transactions, situations, etc. outside of the scope of the materials relevant to the class will be deferred to after class.
TENTATIVE SCHEDULE OF TOPICS AND ASSIGNMENTS

1. January 12/14

Chapter 2: Corporate Formations and Capital Structure

- Financial accounting for corporate formation
- Incorporation of an existing business
- Nonrecognition of shareholder gain & loss
- Basis in stock received
- Corporation’s basis in assets

2. January 19/21

Chapter 3: The Corporate Income Tax

- Choice of Corporate taxable income and tax
- Similarities and differences between corporate and individual income tax
- Capital gains and losses
- Net operating losses
- Dividends-received deduction
- Book-tax reconciliation
3. January 26/28
   Chapter 4: Corporate Nonliquidating Distributions
   - Corporate distributions
   - Earnings and profits
   - Dividends
   - Stock redemptions
   - Effect on distributing corporation

4. February 2/4
   Chapter 6: Corporate Liquidating Distributions
   - Effect on shareholders
   - Effect on corporations

5. February 9/11
   Chapter 7: Corporate Acquisitions and Reorganizations (pages 10-25, 29-33)
   - Effect on shareholders
   - Effect on corporations

6. February 16/18
   Corporations review and loose ends

7. February 23/25
   - Midterm Exam

   Chapters 9: Partnership Formation and Operation
   - Choice of Entity
   - Partnership Formation
   - Corporate formations comparison

8. March 1/3
   Chapter 9: Partnership Formation and Operation (continued)

9. March 8/10
   Chapter 10: Special Partnership Issues
• Distributions
• Allocations (from Chapter 9)

10. March 15/17
   • SPRING BREAK

11. March 22/24
   Chapter 10: Special Partnership Issues

12. March 29/31
   Partnerships review and loose ends

13. April 5/7
   International: Introduction and Foundation

14. April 12/14
   International: Entity Classification; Source of Income and Expense; Income Characterization

15. April 19/21
   International: Inbound (U.S. Taxation of Foreign Persons) vs. Outbound (the Foreign Tax Credit and Deferral Regime)