

**University of Florida**  
**Fisher School of Accounting**  
**TAX 5025**  
**Federal Income Taxation 1**  
**Fall 2016, Module 1**

**Instructor**

V. Luke Watson, Ph.D., C.P.A.  
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**Class Meeting Days and Location**

Tuesdays and Thursdays  
122 Gerson Hall

Course Website:

<https://lss.at.ufl.edu/> (UF e-Learning on Canvas)

**Office Hours**

Tuesdays and Thursdays, 1:40pm-3:10pm  
or by appointment  
321 Gerson Hall

**Teaching Assistant**

Ryan Muchnick  
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Office Hours:

**Final Exam**

Tuesday, October 11

**Course Description**

Credits: 2

*Prerequisite:* ACG 4111C, ACG 4341, CLASS GE 4, and COLLEGE EQ AC

First of a two-course sequence studying the concepts found in the Federal income tax code. Primary emphasis will be using the income tax code to understand gross income, income exclusions, as well as deductions for businesses.

## **Communication with Instructor**

E-mail is the best way to reach me outside of office hours. Please be professional (and coincidentally, readable) using proper spelling, grammar, and capital letters in your email communication with me. Bear in mind that email is best for yes/no questions; complex questions are better suited to office visits. Do not send me messages through the course website. I prefer email to voicemail and I check my email much more frequently than I check my voicemail. I typically check and reply to email at least daily during the week; however, if you email me on the weekend, I may or may not reply before Monday.

## **Required Course Materials**

McGraw-Hill's Taxation of Individuals and Business Entities, 2016 Edition, 7<sup>th</sup> Edition by Spilker, Ayers, Robinson, Outslay, Worsham, Barrick, and Weaver. ISBN: 9781259625848. It is critical that you use the 2016 Edition/ 7<sup>th</sup> Edition because the tax code changes yearly. You will need a paper version of the textbook due to the exam format.

A calculator. This is the only electronic device that may be used during exams. Cell phones, tablets, smart watches, etc. may not be used as calculators.

Print-outs of various online documents such as Internal Revenue Service Forms, as indicated by your instructor.

<http://www.irs.gov>

Forms and Pubs

Current Forms and Pubs

## **Learning Activities**

We will cover complex material at a relatively fast pace, and as such, preparation is the key to success in this course. Involvement in both in-class and out-of-class activities is vital to the learning process. Every student will have the opportunity to participate in class discussions, applied problem discussions, and small group discussions. To prepare for such discussions and to facilitate learning, students should prepare for each class session by reading the assigned chapter in the textbook and attempting practice problems.

## **Course Objectives**

This course, along with TAX 5027, provides a broad introduction to United States federal income tax rules and tax planning for students of accounting. Knowledge and skills gained in this course sequence will help students prepare for a successful career in accounting in several ways. First, it shall sharpen students' analytical abilities and build a foundation for incorporating taxes into business decisions. Second, it will help prepare students for a career in tax compliance and/or planning. Third, it will aid students in their own personal tax compliance and planning. Finally, it will help students prepare for tax problems on the Certified Public Accountant examination. Students who are successful in this course sequence will be able to:

1. Understand and discuss tax policy objectives and the process of creating tax law.

2. Research and apply current tax laws to determine the timing and character of income and expense items.
3. Calculate income tax and credits.
4. Articulate incentives and disincentives created by tax law provisions.
5. Incorporate tax planning into business decisions.

### **Student Assessment Process**

Overall Grade Calculation:

Tax Return Projects	20%
Exam 1	35%
<u>Exam 2</u>	<u>45%</u>
Total	100%

Course Grade: Final grades will be based on obtaining the following percentage of total course points: 93-100% = A; 90-92% = A-; 87-89% = B+; 83-86% = B; 80-82% = B-; 77-79% = C+; 73-76% = C; 70-72% = C-; 67-69% = D+; 63-66% = D; 60-62% = D-; 0-59% = E. Required percentages may be reduced based on a course curve.

Grade Values: The grade-point value per credit hour associated with each letter grade is assigned by the Office of the University Registrar: A = 4.0, A- = 3.67, B+ = 3.33, B = 3.0, B- = 2.67, C+ = 2.33, C = 2.0, C- = 1.67, D+ = 1.33, D = 1.0, D- = .67, E = 0.0. For more information visit:

<http://gradcatalog.ufl.edu/content.php?catoid=2&navoid=762#grades>

### *Examinations*

Exams will be held in class on the days listed. The final exam may be cumulative depending on the pace of the course, students' mastery of the material, and the instructor's discretion.

Make-Ups: A make-up exam will be given when the student has a valid verifiable reason for not taking the exam during the scheduled time. Barring a documented emergency, the request must be made a minimum of ten days prior to the scheduled exam. Exceptions are made if the policy conflicts with UF attendance requirements. More detail on acceptable reasons for absence and UF policies on attendance are found at: <http://gradcatalog.ufl.edu/content.php?catoid=8&navoid=1493#attendance>

Exam Grading: I will make every effort to ensure that grading is as objective and fair as possible. If you believe that there is an error in the grading, please submit, in writing, an appeal within one week of your exam being returned. However, if you submit such an appeal, I will regrade the entire exam to ensure that all parts are properly graded. As such, your grade on the exam could increase, decrease, or remain unchanged as a result of the appeal.

### *Tax Return Projects*

You may work on the projects by yourself, with a partner, or in a group of three students total. If you work with others, submit one tax return or research report with all group members' names on it. Collaborating with anyone other than your group members on projects is an Academic

Honor violation. Projects are due at the beginning of class. Late projects will receive half credit, but no projects will be accepted for credit after the start of the final exam.

Do not use TurboTax or other tax preparation software on your tax return projects. You should print out and fill in the tax return by hand, or use Adobe to type information into the form.

### *Participation / Professionalism*

In the business world, attendance, participation, and professionalism are critical. In this course, you will be treated as a business professional, with the expectation that you attend, participate, and are professional with respect to all related activities. Your communication and deliverables should reflect this sense of professionalism. Moreover, your engagement in the class-- by raising comments, asking questions, and responding to questions-- will help both you and your classmates learn.

Attendance: Although attendance may not be taken at every class, students are expected to attend and participate in every class. Students should prepare for all classes even if they miss and are responsible for material covered in their absence. Students may not attend a class unless they are officially registered for the course. The Fisher School of Accounting does not approve requests to audit its courses. Students who do not attend at least one of the first two class meetings of a course or laboratory in which they are registered, and who have not contacted the School to indicate their intent, may be dropped from the course. The instructor adheres to all UF attendance policies.

### *Recommended Practice Problems*

I have provided a list of recommended practice problems for your benefit. You may work on these problems with anyone and everyone in your section of TAX 5025. I will not collect these problems and you will not be graded on them. However, they will serve to consolidate in- and out-of-class learning in a style similar to what you might see on an exam and as such, completion of these problems is an important success factor in TAX 5025. I may post check figures for some problems to the course website. **YOU MAY NOT DISTRIBUTE THE CHECK FIGURES** to anyone outside your section of TAX 5025. Distribution of check figures to unauthorized individuals is an Academic Honor violation and will result in sanctions.

We may cover some of the practice problems during class time. Office hours provide another opportunity to discuss additional questions that arise with the recommended practice problems.

### **Academic Integrity**

As a student enrolled in this course, you agree to adhere to both the University of Florida Student Conduct & Honor Code and the Fisher School Honor Statement. The importance of integrity cannot be understated, particularly for accounting students in matters related to taxation. Please conduct yourself accordingly. If you have a concern related to academic integrity, please bring it

to my attention. It is always better to be more transparent rather than less. Violations of academic integrity will be addressed on a case-by-case basis.

UF students are bound by The Honor Pledge which states, “We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: “On my honor, I have neither given nor received unauthorized aid in doing this assignment.” The Honor Code (<http://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions. Furthermore, you are obligated to report any condition that facilitates academic misconduct to appropriate personnel.

The Fisher School’s Honor Statement can be found at:

[http://warrington.ufl.edu/accounting/docs/foa\\_honor.pdf](http://warrington.ufl.edu/accounting/docs/foa_honor.pdf)

Academic dishonesty will not be tolerated. Students are required to know and comply with the university’s policy on academic honesty. This policy is detailed in the Undergraduate Catalog and by reference is included in this course syllabus. For more information visit:

<https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>

### **Other Items**

**Civility:** This course will be conducted in a courteous and professional manner. Inappropriate classroom behavior of any form will not be tolerated. At the instructor’s discretion, students acting in an uncivil manner will receive a grade reduction commensurate with the infraction. Students can be withdrawn from the course for excessive unacceptable behavior.

**Disabilities:** Students requesting classroom accommodations must first register with the Dean of Students Office. Support services for students with disabilities are coordinated by the [Disability Resource Center \(DRC\)](#) in the [Dean of Students Office](#). All support services provided for University of Florida students are individualized to meet the needs of students with disabilities. To obtain individual support services, each student must meet with one of the support coordinators in the Disability Resources Program and collaboratively develop appropriate support strategies. Appropriate documentation regarding the student's disability is necessary to obtain any reasonable accommodation or support service. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the instructor a minimum of ten days prior to the requested accommodation.

Students who are registered with the DRC are responsible for submitting their Accommodated Test Requests (ATR) online at the DRC site at least seven (7) business days before an exam/quiz date. If the student misses this deadline, he or she will have to take the exam with the class without accommodations. This must be done by the student for each and every exam/quiz.

**Evaluation:** Students are expected to provide feedback on the quality of instruction in this course based on 10 criteria. These evaluations are conducted online at <https://evaluations.ufl.edu> Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>

**Course Schedule (subject to change)**

<b>Day</b>	<b>Date</b>	<b>Topic</b>	<b>Chapter(s)</b>	<b>Practice Problems</b>	<b>Assignment Due</b>
Tu	August 23	Introduction to Tax	1	4-10, 13-15, 19-28, 30, 34-36, 42-43, 47-48, 56-59, 61-62	
Th	August 25	Individual Overview, Exemptions, Filing Status	4	3-12, 16-17, 19-20, 24-37, 48-49	
Tu	August 30				
Th	September 1	Gross Income and Exclusions	5	2-5, 9-11, 16-18, 21-22, 25, 26-30, 33, 35-36, 38, 40, 42, 45, 47, 50, 55, 57, 63, 69	
Tu	September 6				
Th	September 8	<b>Exam #1</b>	<b>1, 4, 5</b>	In class	
Tu	September 13	Individual	6	1,2,4,5,11-14,16, 19-22,23,30,33,36-38, 43,44,51,55,58,60, 64-66	
Th	September 15	Deductions			<b>Tax Return #1</b>
Tu	September 20	Tax Computation, Credits	8	1-4,12,13,17,19, 23,28-31,35,37,42,47, 49-50, 56,58,68,72-74,78,82	
Th	September 22				
Tu	September 27	Business Income, Deductions, Methods	9	5,7,12,16,18,20,24,27,29, 36,38,45,46,48-50,55,57,61,69,72,77	
Th	September 29				
Tu	October 4	Property Acquisitions	10	1,3,4,7,12,13,23,24,26,31,32, 37,38,39,45-47,51, 52,54,56,63,64,68-70	<b>Tax Return #2</b>
Th	October 6	and Cost Recovery			
Tu	October 11	<b>Exam #2</b>	<b>6, 8, 9, 10</b>		