

**TAX 5027: Federal Income Taxation
Spring 2017**

Instructor: Michael Mayberry

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Office: GER 325

Course Website: lss.at.ufl.edu (Canvas System Entry)

Class Meeting Dates/Times:

Mod 4: Feb 27 – April 28

Section 2D51: Tuesday and Thursday, 9:35– 11:30

Section 2D52: Tuesday and Thursday, 11:45-1:40

Class Location: GER 229

Office Hours: Thursday, 1:50 – 2:50

Final Exam: Tuesday, April 25, during class time

TA: Ryan Muchnick

TA Office Hours: TBD, before exams and by appointment

TA email: rmuchnick@ufl.edu

Course Prerequisite: TAX 5025

Textbook

Our textbook is Taxation of Individuals and Business Entities (2015 Edition) by Spilker, Ayers, Robinson, Outslay, Worsham, Barrick, and Weaver (McGraw-Hill/Irwin). The 13-digit ISBN # is 978-0-07-786236-7.

A copy of the Internal Revenue Code is NOT required for this course. Those who are planning to pursue future classes in income taxation may wish to purchase an Internal Revenue Code.

Course Introduction and Objectives

This is an introductory tax course designed for students of accounting. It is the second of a two part series. This class will focus on property transactions in a business and investment context. Although not all accounting students ultimately work in tax-related professions, a basic understanding of tax fundamentals is important for almost any financial professional. At a minimum, the course will introduce you to basic tax concepts that will be important for the CPA exam, for interactions with clients, and/or for most other professions in accounting or finance. Thus, it is important for most accounting

professionals to have some basic knowledge of tax. The objectives for this course are threefold:

1. To understand the conceptual standards of tax policy.
2. To obtain a basic knowledge of federal tax laws with respect to the timing and character of income and expenses.
3. To develop a framework for incorporating tax considerations into business decisions.

The nature of the course necessarily relies on U.S. tax provisions (e.g. the Internal Revenue Code, Treasury Regulations, case law, etc.). Although these may be referenced throughout the course, the goal is not for you to memorize specific provisions and exceptions; rather, it is for you to understand how to apply fundamental tax rules in economic situations, including tax planning and compliance.

Communication with Professor

The best way to contact me is with my email. However, understanding and applying tax law is often a complicated task and cannot always be done over email. I reserve the right to request that you attend office hours if answering your question via email will be overly complicated.

I am not always at my desk so phone calls might not be answered. Do not use Sakai as a means of communication as I do not check it regularly.

When holding office hours, I am at your disposal to answer questions. However, I reserve the right to request students attend office hours when stopping by my office during non-office hour time periods.

Grading

The course is organized as outlined in the attached (tentative) schedule. Please follow this schedule to complete the assigned readings. I reserve the right to make additional readings as time permits based on class interest. Points for the class are allocated as follows:

Case Presentation	15
1040 Tax Return Project	15
Participation in Class	5
RIA Lab	15
Final Exam	50
Total	100

Grades will be determined solely by your performance in the course. Grades are not subject to negotiation. Being close to the next higher grade is not a relevant issue for discussion of a grade adjustment. Extra credit in this course is not available.

Exams

The exams are closed-book and will consist of multiple choice problems. You may, however, bring **one handwritten**, single-sided 8-1/2" x 11" "note sheet" to each exam as well as a non-programmable calculator. You will be required to turn your note sheet in with your exam. Copies of other people's "note sheet" will be considered academic dishonesty.

You may bring a non-programmable calculator to the exam. Examples of calculators which are **NOT** allowed would be graphing calculators or cell phones.

Please see me if you must make-up an exam for a university excused absence or extenuating circumstances. If you fail to take the exam on the assigned day and do not have a valid excuse, there will be no make up exam and you will be given a zero (0) on the exam. Employment interviews, employer events, weddings, vacations, etc. are **NOT** excused absences.

A note indicating that you were seen at the health center the day of the exam is not sufficient documentation of a medically excused absence from an exam. The note must say that you were medically unable to take the exam.

Exam Grading Appeals: 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, please be advised that 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 *or decrease* based on the secondary grading.

Class Participation

My aim is to facilitate a learning environment that stimulates discussions about current tax law and planning. Although it is my responsibility to teach, it is everyone's responsibility to facilitate learning. Class will be more enjoyable if we have an active discussion in which everyone can participate in an informal way, so please do not hesitate to ask any relevant question.

To motivate discussion and preparation, a portion of your grade is based upon class participation and professionalism. Your total class participation score is based, in equal parts, on class attendance and participation in class. Showing up to class is important, but speaking and asking relevant questions is equally important. I also reserve the right to deduct points (i.e. grant negative points) for students that behave in a grossly unprofessional manner.

Tax Cases

While tests will be in the closed-form, correct vs incorrect style, it is rare that tax questions are so cut and dry. Therefore, you and your assigned team will lead the class in a 20 minute discussion of a court case I assign to you. This is to expose you to higher level reasoning and critical thinking. It is important to see how a judge thinks about tax topics as it may reveal a pattern which allows a future client to maintain a tax position.

Make this entertaining. Incorporate jokes, videos, pictures, maps, etc. Power point slides and hand outs are recommended. **Please email me power point slides before the presentation.** Discussion of the court case should involve its history, the fact pattern, relevant code sections, and any interesting subsequent court cases which might enlighten the class. Please make an effort **to tie the court case to the material covered in class.**

RIA Labs

In the real world, questions will present themselves in seemingly random contexts and orders. Since no human is able to know the entire tax code at once, it is imperative that you develop the ability to research tax-related topics in an efficient and effective manner. Therefore, there will be three RIA labs assigned at taught by the TA. Failure to attend will result in a penalty in participation points.

1040 Tax Return Project

You will complete a 1040 individual tax return. The purpose of this assignment is to help you integrate the concepts covered in the course. For purposes of this project, I expect a hand-written return. Please do not use (or consult with) software to complete any portion of this assignment.

After you complete the project, you will submit an evaluation of yourself and of each other member of your group. Using this information, I will adjust individual grades consistent with the overall feedback of the group (e.g. if group members consistently provide feedback that suggests that a group member did not contribute his/her fair share to the project, I will reduce that individual's grade on the group project accordingly).

Academic Integrity

Upon accepting admission to the Fisher School of Accounting, a student immediately assumes a commitment to uphold the Fisher School of Accounting Honor Statement, to accept responsibility for learning and to follow the philosophy and rules of the Honor Statement. Ignorance of the rules does not exclude any member of the Fisher School community from the requirements or the processes of the Honor Statements. For additional information please visit:

http://warrington.ufl.edu/accounting/docs/fsoa_honor.pdf

I have a high view of an individual's honor. As a future accountant, you will be required to behave honorably when interacting with regulatory agencies such as the Internal Revenue Service or the Securities and Exchange Commission. Dishonorable behavior undermines society's view of the entire profession's integrity and harms each and every one of us as well as the common trust necessary for a functioning capitalist system. Therefore, I consider it my duty to penalize dishonorable behavior to the maximum extent. Dishonorable behavior will result in a failing grade for the entire class (not just the single assignment).

The *tentative* class schedule shows the material *intended* to be covered during each class period and *may* require adjustment as the course progresses. I reserve the right to make *changes* at any time during the semester as necessary.

Syllabus Addendum

Course Grade: Final grades will be based on obtaining the following percentage of total course points: 96-100% = A; 90-95% = A-; 88-89% = B+; 85-87% = B; 80-84% = B-; 78-79% = C+; 75-77% = C; 70-74% = C-; 68-69% = D+; 65-67% = D; 60-64% = 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:

<https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

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: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>

Attendance: “Requirements for class attendance and make-up exams, assignments, and other work in this course are consistent with university policies that can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>.”

Honesty: 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/>

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 with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.”

Evaluation: “Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations 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/>.”

Class	Date	Chapter	Subject	Cases	Case Citation
1	Feb 28	Ch 2	Tax Research		
2	Mar 2	Ch 10	Amount Realized, Adjusted Basis	Burnet v Logan	9 AFTR 1453
<u>SPRING</u>	<u>BREAK</u>	<u>RUNS</u>	<u>MAR 4</u>	<u>TILL</u>	<u>MAR 11</u>
3	Mar 14	RIA	RIA Lab 1- remember laptop		
4	Mar 16	RIA	RIA Lab 2- remember laptop		
5	Mar 21	Ch 10	Characterization	Group One: Crane v Comm	35 AFTR 776
6	Mar 23	Ch 10	Nonrecognition Rules 1	Group Two: Philadelphia Park Amusement v US	126 F. Supp. 184
7	Mar 28	Ch 10	Nonrecognition Rules 2	Group Three: Beaver Dam Coal v US	19 AFTR 2d 338
8	Mar 30		Presentations and Review of Chap 10	Group Four: Cottage Savings Assn v Comm <u>AND</u> Group Five: Suburban Realty Co V US	499 US 554 And 45 AFTR 2d 80-1263
9	Apr 4	Ch 11	Investment Topics	Group Six: Arkansas Best Corp v Comm	61 AFTR 2d 88-655
10	Apr 6	Ch 11 /7	TRP Due /Kiddie Tax, Net Investment Income Tax, Self Employment Tax		
11	Apr 11	Ch 11	Finish up Ch 11, Ch 7, Ch 13 topics		
12	Apr 13	Ch 3	Tax Planning		
15	Apr 20	15	Entities Overview By: Richard Cabrera of Berkowitz Pollack Brant		

Group 1
Burkett Morgan L
Hernandez Elena
Palmer Stephanie B
Wang Hao

Group 2
Champagne Henry M III
Hough Matthew H
Patel Deesa P
Yudiski Laura J

Group 3
Crittenden John A
Kammerer Tobias
Perez Dennis

Group 4
de la Osa Christian A
Leche Daniel J
Spector Corey H

Group 5
Donica Caroline J
LeValley Jennifer E
Vasallo Ryan

Group 6
Goldstein Elana B
O'Brien Padraic L
Waldorff Davis