Text

When purchasing the book, please make sure it matches the ISBN number listed above. You may choose to purchase a different version (e-copy or loose leaf). If so, it must have the same chapters and keep in mind you must bring the text (or other version) to class each day.

Prerequisites

Prior to taking ACCT 403 a student must have taken ACCT 401, Financial Accounting I, and received a grade of C or higher. A student should understand the concepts of income and expense and the components of each.

Purpose

The course is a required course for all accounting majors. It focuses on developing an understanding of the federal income taxation of businesses as well as individuals and provides a basis for the study of corporate and partnership taxation which is covered in ACCT 503 (Tax II).

Learning Objectives

Upon completion of the course, students will be able to complete a fairly complex individual income tax return with and without the use of tax forms and more specifically should be able to:

1. Understand the underlying concepts of the Federal Tax System as it applies to both individuals and business entities.
2. Classify business income/ loss items.
3. Apply cost recovery methods to assets in a business.
4. Calculate the realized and recognized gain/ loss from property dispositions in both monetary and non-monetary transactions.
5. Compute taxable income/ loss and basis for flow-through entities.
7. Evaluate choice of business entity from a tax perspective.
8. Use the individual formula to arrive at AGI and compute taxable income and tax liability.
9. Identify potential individual tax credits and deductions, understand how they differ and how each impacts taxable income and income tax liability.
10. Understand how personal activities affect income tax liability.
Class Room Format

Class instruction will consist of lecture, discussion and problem solving. Instruction will follow the outlines discussed below and will incorporate examples from the book and assigned homework where appropriate. If a concept or problem is not understood, feel free to stop me at any point for clarification.

Required Readings

Lectures are prepared with the expectation that students have read the textbook. All required readings are in the textbook. The attached time line indicates the chapters and subject matters that should be read before each class. Because of the complexity of the material, it will be difficult at times to follow the class discussion if assigned materials have not been read. The textbook often covers a subject in more detail than will be required. The outlines will reference the information that our deemed most important. Pay particular attention to the referenced material.

Outlines

An outline of each chapter will be provided on Blackboard (http://blackboard.sc.edu/) which will serve several purposes. As mentioned under required readings, it points out the information in the readings that our deemed to be important. They should allow students to follow the discussion in class with a minimum of note taking. It also allows the material to be updated as the rules change. Even though the textbook is updated each year, it cannot keep up with the ever evolving tax laws, regulations and court decisions, thus the material in the outline will take precedent over the book.

You should review and understand each of the examples referred to in the outline as we will not have time to cover these in class.

Power Point Handouts – In Class Example

The Power Point slides that I use in class will also be available on Blackboard.

Homework

Exams are written with the expectation that students have completed the suggested homework problems for each chapter which are indicated on the outline. Suggested homework problems for each chapter are indicated on the outline. Homework will not be taken up. However, homework is the only practice that students will have dealing with concepts similar to those which will be found on the exams. Past history indicates that students who do not complete the homework assignments perform very poorly on exams.

Due to time constraints, generally solutions to the homework problems will not be reviewed during class time.

Exams

Exams will assess a student’s ability to apply tax laws, rules, regulations and court cases to a set of given facts and circumstances. The exams will include true/false and multiple choice questions along with problems. The items included will be similar to the homework assignments, examples referenced in the outlines and problems worked in class. Exams 1 & 2 will be approximately 85 minutes and the final approximately 2 hours in duration and dates are indicated on the time line.

In addition to the information such as tax tables that will be provided for each exam, students will be able to bring into class two 8 ½ x 11 pages of crib material. Front & back of one page is equivalent to two pages. This can include any formulas, summary of tax laws, rules, regulations, etc. Any information can be included. Since time will be a factor in each exam, students should organize the crib material in a manner that makes it easy to find on the two pages. It will be much easier to assemble this information while studying each chapter and working the homework problems, than to try to gather it together the night before an exam. Using this material as a basis to rework homework problems is a good method to assess mastery of the material in a test situation.
Tax has many complex rules and most students generally have more trouble with the True/False conceptual questions than they do with the problems. You should review and understand each of the examples referred to in the outline. You should also go back over the in class examples and clearly understand the computations and concepts used.

Quizzes

Items included in quizzes will be similar to those in exams. The quizzes will only be 20 minutes in length (Approximately 25 points each). Certain tables, formulas, etc. may be provided to work selected problems. **Additional crib material will not be allowed.** The quizzes will take place between exams. The lowest quiz grade will be dropped.

Calculators

You cannot use a calculator that stores text on an exam or quiz. If you do so, you will receive a grade of -0-.

Tax Project

There will be two projects for this class. The project will consist of preparing an individual return based on information provided to you. The return must be prepared using a computer software program. The program H&R Block At Home should come with your book. TaxAct is available free online or you may use other tax software that you have access to. Preparation of the return will require application of the knowledge obtained to a case similar to a real life situation. **The returns must be completed with two partners (assigned by me).** The second project will consist of completing a form 1065, form 1120S and a K-1 form. The projects are similar to a take home test in that it may not be discussed nor help received from anyone except your partner. The due dates for the projects are indicated on the time line.

Once an exam, quiz or project is returned to the class, you will have two business weeks to request a review of your grade. For the final exam, you will have two weeks after the last final for the term to review your exam. After two weeks have expired there will be no grade changes.

<table>
<thead>
<tr>
<th>Student Evaluation</th>
<th>Grade Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Points</td>
</tr>
<tr>
<td>Semester Exams (3)</td>
<td>300</td>
</tr>
<tr>
<td>Quizzes (2 of 3)</td>
<td>50</td>
</tr>
<tr>
<td>Project 1</td>
<td>40</td>
</tr>
<tr>
<td>Project 2</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Class Attendance

Due to the complexity of the material, class attendance is important. Class attendance will be taken each class. Students who have unexcused absences during the semester that exceed 10% of the class meeting time (3 classes) will not be given any consideration in their final grade if their accumulated points are close to the next grade level. **Students with good attendance will be given a 4-point (1%) window toward the next grade provided their final exam score is at least at the next level.** In addition, students who have un-excused absences during the semester that exceed 3 classes will have 4 points deducted from their final point total for each unexcused absence in excess of 3. Excuses must be written and received within one week of returning to class or they will not be accepted. The best way to send me an excuse is by email.

You should bring your book and calculator to class every day. I will be referring to material in the book many times and you will not be able to follow the discussion without having your book. You will also need to have your calculator to assist in problem solving during the class.
Policy on Academic Dishonesty

Acts of academic dishonesty will not be tolerated. I will review the attached School of Accounting Policy on Academic Dishonesty on the first day of class. All students are required to read and understand the School of Accounting Policy on Academic Dishonesty, and to acknowledge the potential consequences of any acts of academic dishonesty by signing and returning the last page.

Note specifically that the exams for this course are non-disclosed and are not returned. Any access to or possession of an exam or specific exam contents outside of the Tax I classroom will be considered to be an act of academic dishonesty. Quizzes are returned and I will post last semesters quizzes on Blackboard.

Cell phones, PDAs, iPods, etc.

All electronic devices should be turned off during the class. If you text or check messages during class, the device will be taken from you.

If you are caught with an electronic device out during an exam or quiz, your exam or quiz will be taken from you and you will receive a grade of -0-. During an exam they should be in your book bag.

If you have an emergency situation, please let me know and I may allow you to have your cell phone on based on the emergency.
School of Accounting Policy on Academic Dishonesty

The accounting profession has traditionally been held in high public esteem with respect to ethical values. Recent business scandals involving less than truthful financial statements and the actions of independent auditors have significantly changed how many view the accounting profession. This environment requires those who are currently entering the profession to uphold the very high standards of integrity and ethics that have been the hallmark of our profession. Accordingly, the School of Accounting in the Moore School of Business (SOA) will not tolerate any student who participates in an act of academic dishonesty.

This document is intended to ensure students are aware of the University of South Carolina Honor Code, which is intended to prohibit all forms of academic dishonesty. The University of South Carolina Honor Code states that academic dishonesty includes (but is not limited to) the following examples:

1. Giving or receiving unauthorized assistance, or attempting to give or receive such assistance, in connection with the performance of any academic work.
2. Unauthorized use of materials or information of any type or the unauthorized use of any electronic or mechanical device in connection with the completion of any academic work.
3. Access to the contents of any test or examination or the purchase, sale, or theft of any test or examination prior to its administration.
4. Unauthorized use of another person's work without proper acknowledgement of source.
5. Intentional misrepresentation by word or action of any situation of fact, or intentional omission of material fact, so as to mislead any person in connection with any academic work (including, without limitation, the scheduling, completion, performance, or submission of any such work).
6. Offering or giving any favor or thing of value for the purpose of influencing improperly a grade or other evaluation of a student in an academic program.
7. Conduct intended to interfere with an instructor's ability to evaluate accurately a student's competency or performance in an academic program.

Whenever a student is uncertain as to whether conduct would violate this Honor Code, it is the responsibility of the student to seek clarification from the appropriate faculty member or instructor of record prior to engaging in such conduct.

In addition to cases of alleged violation of the University of South Carolina Honor Code, students may also be referred to the Office of Student Judicial Programs for violations of the student code of conduct, including, but not limited to: Misuse of University Documents, Fraud/Lying, and Failure to Comply.

Instructors are required by the University to report situations in which there is reasonable belief that a student has violated the academic dishonesty policy.
Sanctions

If any student is believed to have violated one of the above items, the School of Accounting will proceed within the guidelines identified in the Honor Code. These sanctions include, but are not limited to:

1. permanent expulsion from the University; and
2. definite suspension from the University for a period of not less than one semester.

The sanctions provided for in this Section are intended to be disciplinary, and nothing in these procedures, including the imposition of any sanction, shall be interpreted to limit the academic authority of an instructor to determine an appropriate grade for a student who has violated the Honor Code. *The instructor has the authority to adjust the grade of any offender in addition to any sanctions imposed.* It is the position of the faculty of the SOA that the strongest possible sanction should be taken against any student who violates the Honor Code.

Grade Determination

If an instructor determines that, because of academic dishonesty, a student's performance in an academic program merits a grade reduction or a failing grade, *the instructor's authority to award such an appropriate grade is not limited by the imposition of any sanction under this Section.* The faculty of the SOA strongly supports such grade reductions.

Further Information

The University of South Carolina Honor Code may be found at: [http://sc.edu/academicintegrity](http://sc.edu/academicintegrity).

Further information on student rights and responsibilities may be found at: [www.sa.sc.edu/carolinacommunity](http://www.sa.sc.edu/carolinacommunity)
Emergency Preparedness and Contingency Planning

The goals of emergency preparedness and contingency planning are three-fold:

1. To minimize injury and death;
2. To deliver aid to those in need as quickly as possible;
3. To minimize the time necessary to resume functionality.

In the event of a drill or an emergency, campus alarms – internal and/or external will sound!

In the event of a fire, bomb, or other building catastrophe:

1. Leave the building!
   - Use the stairs. The quickest method for exiting via the stairs is to stay on a straight path until you meet a wall before turning. Do not turn on the landing in the middle of the stairs. This causes a bottleneck as people attempt to merge. Women in heels should remove their shoes before taking the stairs.
   - Staff and faculty are responsible for students in their offices, common areas and classrooms during an emergency or drill.
     o Students in faculty offices or departmental common areas should exit the building with that department and report to that department’s assembly site. Be sure to give your name to the Safety Warden at the assembly site.
     o If you are in class, you will exit the building with your instructor and follow him/her to the proper assembly site. Once your class is at the assembly site, your instructor will take roll. Any “missing” students will be reported to the Health & Safety warden immediately.
   - Disabled individuals (whether faculty, staff or student) should be taken to the nearest stairwell entrance and left by said entrance. Their name and location should be reported to the Health & Safety warden immediately upon reaching the assembly site. Firemen and emergency crew will be responsible for removing them from the building.

2. Cross the street!
   - Do not stop on the building side of the street. A fire or bomb can and will turn glass, metal framing and other building materials into deadly projectiles. You are not safe on the building side of the street. If you are in a faculty office, a department or class room, report to the assembly site instructed by your professor or department faculty or staff.
   - Students who stop at doorways, benches, tables or are standing on the building side of the street will be asked to move across the street. Any student(s) who will not comply will be reported to the nearest Health & Safety warden immediately.

3. Meet and stay at the assembly site!
   - Once you have reported to an assembly site it is very important that you stay at assembly site until released by the Health & Safety warden.
Moore School of Business
Evacuation Assembly Areas

1- Accounting
2- Marketing
3- Economics
4- Finance
5- Graduate Division
6- International Business
7- Career Center
8- Div. of Research & SBDC
9- Management Science
10- Management
11- Exec. Ed. & DMC
12- Belk, Cafe & LL classrooms
13- Suites 101 & 102
Tax I; ACCT 403; Fall 2013

School of Accounting Policy on Academic Dishonesty

Tax I Attendance Policy & Expectations

I have read and understand the School of Accounting Policy on Academic Dishonesty, and acknowledge the potential consequences to me of any acts of academic dishonesty.

I understand that if I have an electronic device to include but not limited to a cell phone, PDA or IPOD out during an exam or quiz my exam or quiz will be taken and I will receive a grade of -0-.

I have read and understand the attendance policy for this class, and acknowledge the potential consequences of unexcused absences as stated in the class syllabus.

I have read and understand the syllabus.

Signature: ________________________________ Date: ____________

Student Information

Full Name_______________________________________________________

Name that you wish to be called_____________________________________

Email address____________________________________________________

Major(s) in addition to accounting __________________________________

Explain any prior tax experience_____________________________________

________________________________________________________________

Do you plan to attend the MACC Program at USC? (N/A to MACC Students)

Circle one: YES NO

Plans after graduation _____________________________________________

________________________________________________________________