Course Syllabus

Federal Income Tax
Accounting 343.001
Spring 2018

Instructor: Alan D. Campbell, Ph.D. (University of North Texas), CPA (Arkansas and Florida), CMA, Admitted to Practice before the United States Tax Court
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Other times by appointment
Online Hours: T 12:00 Noon to 5:00 p.m.
School: Gerald W. Schlief School of Accountancy
Class Hours: Monday and Wednesday, 11:00 a.m. to 12:15 p.m.
Classroom: R. E. McGee Business Building, Room 237

Textbook


Course Description

Introduction to federal income tax legislation as applied to individuals and business. Prerequisite: ACC 232.

Program Learning Outcomes

Program learning outcomes define the knowledge, skills, and abilities students are expected to demonstrate upon completion of an academic program. These learning outcomes are regularly assessed to determine student learning and to evaluate overall program effectiveness. You may access the program learning outcomes for your major and particular courses at http://www.sfasu.edu/cob/grad-plo.asp.
Student Learning Outcomes

1. Understand the laws governing individual income tax.
2. Demonstrate competency in individual income tax by preparation of an individual income tax return

Experiential Learning

This course will have a strong emphasis on experiential learning to help fulfill the overarching goal of Stephen F. Austin State University to “provide transformative experiences for SFA students.” The experiential learning projects for this course include the following:

1. Researching a tax issue and writing a tax research memo on it in good form
2. Writing a brief of a court case on a tax issue
3. Preparing a solution to a tax planning case
4. Preparing a solution to a tax return problem

Focus

This course will have a strong focus on property transactions. Understanding property transactions is very important for success in higher level tax courses.

Cheating and Plagiarism

Cheating and/or plagiarism will not be tolerated. If a student or students are proven to have cheated or plagiarized material, a grade of F will be given for the assignment and, in certain cases, a grade of F may be awarded for the course. See also “Academic Integrity” below.

Attendance Policy

Regular on-time class attendance is expected. You are responsible for all announcements made during class. You are also responsible for getting notes and learning what was covered in class if you have to miss a class. It is disruptive to the other students and the professor when students come to class late, therefore you will not receive the same benefit as the students that arrived on time.

In-Class Time

Read the material before class. My lectures will assume that you have finished the assigned reading and have a basic understanding of the material. Bring your book to class.
Quizzes (100 Points)

You will take 10 quizzes on D2L on material from chapters in the book and related material discussed in class and/or provided to you by the professor. Each quiz is worth 10 points. Thus, there are 100 total points from quizzes. Each quiz consists of 10 multiple choice questions worth 10 points each. The time limit for each quiz is 60 minutes. If you exceed the time limit, you will be assessed a grade penalty. The quizzes are open to your book, notes, Web sites, and any other materials you want to use. However, you may not receive help from any other person directly or indirectly in taking the quiz. And you may not provide help to any other student directly or indirectly in taking a quiz. Quizzes 1-3 relate to Exam 1. Quizzes 4-7 related to Exam 2. Quizzes 8-10 relate to the Final Exam. You should make every effort to complete a quiz once it becomes available and you have studied the related chapter(s).

Exams (600 Points)

You will have three exams. Each exam is worth 200 points for a total of 600 points. Exam 1 covers Chapters 1-5. Exam 2 covers Chapters 6, 8, 9, and 11. The Final Exam covers Chapters 14-17. The final exam is not comprehensive. Exams may include multiple choice questions, matching, problems, and essays. You may use the small Sharp calculator that will be given to you. You may NOT use any notes.

A makeup exam is allowed if a student has reasonable cause such as a documented illness or injury.

Briefing a Court Case on a Tax Issue (100 Points)

You will brief a court case on a tax issue decided in the United States Tax Court, the United States Court of Appeals, or the Supreme Court of the United States. You will choose one case from 10 cases provided to you on the assignment posted on D2L. You do NOT need the professor’s permission to choose a case. More than one student may brief a particular case.

A brief of a court case has elements that are very similar to a tax research memo. Your brief should include the following: (1) complete citation to the case, (2) key facts of the case, (3) key issue(s) of the case, (4) holding (decision) of the court, and (5) the court’s reasoning. See the Web site on tax writing maintained by Georgia State University to learn more about writing for tax professionals, including briefing a case: http://www2.gsu.edu/~accerl/ You must do your own work. You may not receive help from anyone, directly or indirectly, in briefing the case. You may not provide help to any other student directly or indirectly, in briefing the case.

Tax Research Memo (100 Points) and Scholarship Possibility

You will write a tax research memo in good form in response to a research problem assigned to you by the professor. The research problem will likely be an actual case for which the professor has provided research to a CPA firm. Names of the CPA and client will not be disclosed. The top should show your name, address, and telephone number. You may use a fictitious address and telephone number if you wish. The words “Tax Research Memo (or Memorandum)” should
The professor has been granted the authority from the dean’s office to designate student(s) who will receive a cash scholarship up to $500 total for the academic year for success in experiential learning projects. The professor may designate $250 to be awarded in the Spring 2018 semester provided the tax research memo is of high quality. If no student submits a tax research memo of high quality, no scholarship will be awarded. If the tax research memo is of high quality, the professor plans to recommend that the student who wrote the best tax research memo receive $125, the student who wrote the second best tax research memo receive $75, and the student who wrote the third best tax research memo receive $50. The professor may recommend a larger scholarship if there are only one or two memos of high quality. For example, if only one memo is of high quality, the student who submitted it may be recommended for a scholarship of $250 and would be the only scholarship winner.

**Tax Planning Case (100 Points)**

You will prepare a solution to a tax planning case for a fictitious family assigned to you by the professor. You should submit your assignment in Word. You may attach calculations to support your recommendations in Excel. Your analysis should (1) state the relevant facts of the case, (2) identify the key tax and/or financial issues faced by the family, (3) list and explain the alternatives the family might consider, (4) state your recommendations, and (5) state the likely benefits and other implications if the family follows your recommendations. You should support your recommendations by citations to authorities. You may have to research material from chapters not covered in the course. You must do your own work. You may not receive help from anyone, directly or indirectly, in completing the case. You may not provide help to any other student directly or indirectly, in completing the case.

**Tax Return Problem (Form 1040 and related forms and schedules): (100 Points)**

You will prepare a tax return for a fictitious family using Form 1040 and related forms and schedules. You may prepare the return by hand. You may prepare the return using tax preparation software such as TurboTax or Tax Act. You may make any tax elections that would benefit the taxpayers. If you make any elections, you must include the forms or documents that
indicate the election and provide full support for it. You should include all forms, schedules, and workpapers with your submission. You can find tax forms and instructions at [https://www.irs.gov/forms-instructions](https://www.irs.gov/forms-instructions). You must do your own work. You may not receive help from anyone, directly or indirectly, in completing the return problem. You may not provide help to any other student directly or indirectly, in completing the return problem.

**Articles and Handouts**

I have posted on D2L a number of tax articles I have written. The articles that relate to a chapter covered in the course are required reading and subject to being tested. Articles that do not relate to a chapter covered in the course are for your information only. Handouts may also be posted on D2L. You are subject to testing for the handouts posted on D2L.

**Slides**

The Power Point slides from the publisher are available on D2L for each chapter in the textbook, including chapters not covered in the course. We will go over the slides in class for the ones that relate to chapters covered in the course. You should view them to help you learn the material in the chapters.

**Solutions**

The solutions to the exercises and problems at the end of the chapter for the chapters covered in the course are available on D2L in pdf format. You should work the exercises and problems recommended in class and any additional exercises and problems you may choose. Then, check your work against the publisher’s recommended solutions. Work to learn where you made a mistake and how to correct it. If you think the publisher’s suggested solution is incorrect or you have questions about an exercise or problem, please ask the professor.

**Extra Credit**

I do NOT provide any extra credit assignments on an individual basis.

**Class Policies**

You may record my lectures as long as you do not disturb the class in doing so.

Use of D2L to post grades is discretionary. My goal is to post all your grades on D2L. However, I may not post grades on individual assignments near the end of the semester.

Please remember to turn your cell phones off or to vibrate mode when you enter the classroom.
Academic Integrity (4.1)

Academic integrity is a responsibility of all university faculty and students. Faculty members promote academic integrity in multiple ways including instruction on the components of academic honesty, as well as abiding by university policy on penalties for cheating and plagiarism.

Definition of Academic Dishonesty
Academic dishonesty includes both cheating and plagiarism. Cheating includes but is not limited to (1) using or attempting to use unauthorized materials to aid in achieving a better grade on a component of a class; (2) the falsification or invention of any information, including citations, on an assigned exercise; and/or (3) helping or attempting to help another in an act of cheating or plagiarism. Plagiarism is presenting the words or ideas of another person as if they were your own. Examples of plagiarism are (1) submitting an assignment as if it were one’s own work when, in fact, it is at least partly the work of another; (2) submitting a work that has been purchased or otherwise obtained from an Internet source or another source; and (3) incorporating the words or ideas of an author into one's paper without giving the author due credit. Please read the complete policy at http://www.sfasu.edu/policies/academic_integrity.asp

Withheld Grades--Grades Policy (5.5)

Ordinarily, at the discretion of the instructor of record and with the approval of the academic chair/director, a grade of WH will be assigned only if the student cannot complete the course work because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F. If students register for the same course in future terms the WH will automatically become an F and will be counted as a repeated course for the purpose of computing the grade point average.

Students with Disabilities

To obtain disability related accommodations, alternate formats and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Human Services Building, and Room 325, 468-3004 / 468-1004 (TDD) as early as possible in the semester. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services in a timely manner may delay your accommodations. For additional information, go to http://www.sfasu.edu/disabilityservices/.

Acceptable Student Behavior

Classroom behavior should not interfere with the instructor’s ability to conduct the class or the ability of other students to learn from the instructional program (see the Student Conduct Code, policy 10-4). Unacceptable or disruptive behavior will not be tolerated. Students who disrupt the learning environment may be asked to leave class and may be subject to judicial, academic, or other penalties. This prohibition applies to all instructional forums, including electronic, classroom, labs, discussion groups, field trips, etc. The instructor shall have full
discretion over what behavior is appropriate/inappropriate in the classroom. Students who do not attend class regularly or who perform poorly on class projects/exams may be referred to the iCare Early Alert Program. This program provides students with recommendations for resources or other assistance that is available to help SFA students succeed.

Grading Policy:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quizzes: 10 @ 10 points each</td>
<td>100</td>
</tr>
<tr>
<td>Exams: 3 @ 200 points each</td>
<td>600</td>
</tr>
<tr>
<td>Preparation of a Court Case Brief</td>
<td>100</td>
</tr>
<tr>
<td>Preparation of Tax Research Memo and Client Letter</td>
<td>100</td>
</tr>
<tr>
<td>Preparation of a Tax Planning Case</td>
<td>100</td>
</tr>
<tr>
<td>Preparation of Individual Income Tax Return</td>
<td>100</td>
</tr>
</tbody>
</table>

Total Points Possible 1,100

Grading Scale

A = 90% and above  
B = 80% to 89%  
C = 70% to 79%  
D = 60% to 69%  
F = 59% and below

New Tax Act

Congress recently passed a new tax bill that was signed into law by President Trump. It is commonly known as the Tax Cuts and Jobs Act, but the real name had to be changed to conform to the reconciliation rules in the Senate. I will be posting information and commentary about this new tax act on D2L and including it in my lectures.

You are responsible for learning the new provisions of the law. Some of it will be on your exams. You should consider the new law in your tax planning case. Your income tax return problem will be based on the law as it existed at the end of 2017.
Tentative Course Schedule

DQ = Discussion Questions, CE = Computational Exercises,
P = Problems, RP = Research Problems, CPA = Roger CPA Review Questions

Wednesday, January 17

Introduction, Chapter 1

View the slides for Chapter 1 (available on D2L)

Monday, January 22

Chapter 1

DQ 5, 7, 22, 31, 36, 37, 38, 39, 41, 42, 43, 44, 49, 50

Quiz 1 on Chapter 1, 10 Points (available on D2L under Course Tools)

Wednesday, January 24

Chapter 2

View the slides for Chapter 2 (available on D2L)

Monday, January 29

Chapter 2

DQ 3, 5, 6, 7, 8, 11, 16, 17, 18, 23, 25, 26, 27, 28, 33, 35, 43

RP 7

Wednesday, January 31

Chapter 3

Skip the material personal exemptions and dependency exemptions because the new tax act repealed the deductions for exemptions beginning in 2018.

The new tax act doubled the amount of the child tax credit to $2,000 beginning in 2018.

Pay special attention to the material on property transactions because this material is an overview for what you will study in Chapters 14-17.

View the slides for Chapter 3 (available on D2L)
Monday, February 5

Chapter 3

DQ 2, 3, 4, 19, 20

CE 27, 28, 51, 52

Quiz 2 on Chapters 2 and 3, 10 Points (available on D2L under Course Tools)

Wednesday, February 7

Chapter 4

View the slides for Chapter 4 (available on D2L)

Read the article “Tax Aspects of Social Security Benefits” available on D2L

Read the Handout “Tax and Legal Doctrines” (available on D2L)

Monday, February 12

Chapter 4

DQ 4, 7, 9, 10, 12, 17, 18, 19

CE 21, 22, 23, 24, 25, 26

P 27, 29, 30, 31, 35, 52

Wednesday, February 14

Chapter 5

View the slides for Chapter 5 (available on D2L)

Read the article “The Exclusion for Meals and Lodging” (available on D2L)

Read the article “Tax Considerations for Ministers” (available on D2L)

Monday, February 19

Chapter 5

DQ 1, 2, 4, 6, 7, 8, 10, 19
CE 22, 23, 24, 25, 26  
P 31, 33, 35, 49, 55, 57  
CPA 1, 3, 4  
Quiz 3 on Chapters 4 and 5, 10 Points (available on D2L under Course Tools)  
Quizzes 1-3 must be completed before you take Exam 1  

**Wednesday, February 21**  
Exam 1, 200 Points. Chapters 1-5 and related material  

**Monday, February 26**  
Chapter 6  
View the slides for Chapter 6 (available on D2L)  
Read the article “Hobby Activities Can Increase Tax Liability” (available on D2L)  
Read the article “Startup Costs: Book vs. Tax Treatment” (available on D2L)  

**Wednesday, February 28**  
Chapter 6  
DQ 1, 2, 3, 7, 9, 10, 11, 12, 14, 15, 16, 18, 19  
CE 28, 31  
P 33, 42, 52 (no letter required), 55  
Quiz 4 on Chapter 6, 10 Points (available on D2L under Course Tools)  

**Monday, March 5**  
Chapter 8  
View the slides for Chapter 8 (available on D2L)  
The new tax act has greatly expanded the right of a business to deduct the cost of certain business equipment in the year of purchase. You still need to understand the cost recovery rules for equipment purchased in other years.
Study the Web site www.section179.org

Read the article “Calculating the Alternative Minimum Tax for Individuals” (available on D2L)

**Wednesday, March 7**

Chapter 8

DQ 1, 2, 3, 6, 7, 10, 11, 12, 13, 16, 17

CE 21, 23, 25, 28

P 32, 33, 35, 49, 57

Quiz 5 on Chapter 8, 10 Points (available on D2L under Course Tools)

**Monday, March 12**

Spring Break

**Wednesday, March 14**

Spring Break

**Monday, March 19**

Chapter 9

View the slides for Chapter 9 (available on D2L)

The new tax act eliminated the deduction for entertainment expenses and eliminated the deduction for all employee business expenses that were previously subject to a two-percent AGI floor. A taxpayer, other than an employee, may still deduct 50 percent of the cost of a bona fide business meal. The new tax act also repealed the deduction for moving expenses.

Read the article “An Overview of the Tax Treatment of Roth IRAs” (available on D2L)

**Wednesday, March 21**

Chapter 9

DQ 5, 8, 12, 14

CE 18, 21, 25

P 31
Quiz 6 on Chapter 9, 10 Points (available on D2L under Course Tools)

**Monday, March 26**

Chapter 11

View the slides for Chapter 11 (available on D2L)

Court Case Brief Due, 100 Points

**Wednesday, March 28**

Chapter 11

DQ 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 14, 16, 17, 18, 19, 20, 21

CE 27, 28, 31, 32, 34, 38

Quiz 7 on Chapter 11, 10 Points (available on D2L under Course Tools)

Quizzes 4-7 must be completed before you take Exam 2

**Monday, April 2**

Exam 2, Chapters 6, 8, 9, and 11

**Wednesday, April 4**

Chapter 14

View the slides for Chapter 14 (available on D2L)

**Monday, April 9**

Chapter 14

DQ 4, 5, 6, 7, 8, 9, 12, 13, 14, 15

CE 16, 17, 20, 22, 23, 24, 26

P 30, 33, 41, 44

Quiz 8 on Chapter 14, 10 Points (available on D2L under Course Tools)
Wednesday, April 11

Chapter 15

View the slides for Chapter 15 (available on D2L)

Read the article “Deferred Like-Kind Exchanges of Real Estate” (available on D2L)

Monday, April 16

Chapter 15

DQ 1, 2, 8, 9, 11, 12

CE 18, 21, 22, 25

P 27, 37, 40, 45, 52

Tax Research Memo and Client Letter Case Due, 100 Points

Wednesday, April 18

Chapter 16

View the slides for Chapter 16 (available on D2L)

Monday, April 23

Chapter 16

DQ 1, 2, 4, 9, 10

CE 12, 14, 15, 16, 17, 18

P 21, 36

Quiz 9 on Chapters 15 and 16, 10 Points (available on D2L under Course Tools)

Income Tax Return Problem Due, 100 Points

Wednesday, April 25

Chapter 17

View the slides for Chapter 17 (available on D2L)
Read the article “Determining the Amount and Character of Gain or Loss on Sale of Real Estate” (available on D2L)

**Monday, April 30**

Chapter 17

DQ 1, 2, 3, 5, 6, 8, 9, 15, 19, 20

CE 21, 22, 23, 24, 25, 26, 30

P 34, 36, 37, 41

Quiz 10 on Chapter 17, 10 Points (available on D2L under Course Tools)

Tax Planning Case Due, 100 Points

**Wednesday, May 2**

Last Day of Class before Final Exam

Review Chapters 14-17

Quizzes 8-10 must be completed before you take the Final Exam

**Wednesday, May 9**

Final Exam, 200 Points. Chapters 14-17 and related material. 10:30 a.m. to 12:30 p.m.