Taxation of Business
Fall 2023 – 3 Credit Hours

Key Items:

1. Tax is not about completing forms. We will talk about how tax rules affect decision making. You will sometimes use a professional tax system to make calculations and check your work, but the forms are not the goal.

2. This is a “flipped” class. During class meetings I provide examples and practice to make sure the concepts are clicking. We spend almost the entire class time working sample problems as an entire class and in small groups. Please bring your questions to class and ask when we cover similar problems.

3. I post lecture videos and assign readings that I expect you will have covered before class. It is critical that you come to class meetings prepared so that you’ll get the most from the practice problems. However, attending class isn’t sufficient to teach you all material – you need to do the reading and watch the lectures.

4. Accounting is a field with many different components – tax, audit, cost, financial, AIS, fraud, and so forth. I still haven’t met anyone who is good at all of them. If this class is more challenging for you, that’s an opportunity to learn how to use your supports to be successful.

Instructor
Dr. Charles Oberweiser, CPA PhD

Class Dates
Aug. 29 – Dec. 14
Tu & Th 3:30-4:45
Room 267

Office Hours:
Tuesday
10:45 - 11:45
1:45 – 3:15
and 6 – 7pm on Zoom

Wednesday
9 – noon on Zoom
12:30 – 1:30

Thursday
10:45 - 11:45
1:45 – 3:15

Other Days / Times
by appointment

Office
McGee 292E
(in Accounting Suite)

Email
Charles.Oberweiser@sfasu.edu
Why Study Tax?

The tax consequences of certain choices affect what vehicles businesses purchase, where they decide to invest, and even what new products they launch.

Using tax knowledge in this advisory way requires both a detailed understanding of the tax code as well as critical thinking that can approach situations from multiple viewpoints. This is our goal for the course.

Course Overview:

Detailed introduction to aspects of federal tax law relevant to business tax compliance.

Course Objectives (Learning Outcomes)
Successfully completing this course means that you will be able to:

- Identify common and special business deductions, determine the limits on deducting business expenses, identify accounting periods available to businesses and how to apply them.
- Describe the cost recovery methods for personal property, real property, intangible assets and natural resources, calculate depreciation life, method and convention and the deduction allowable under the additional special cost recovery rule and amortization.
- Describe the general character types of gain or loss recognized on property dispositions, tax treatment of unrecaptured section 1250 and 1231 gains or losses. Calculate the amount of gain or loss recognized on the disposition of assets, depreciation recapture.
- Describe the different types of entities for tax purposes and be able to identify fundamental differences in tax characteristics across those entity types.
- Identify income and expense items that cause corporation's financial accounting net income to differ from taxable income, including computing a corporation's taxable income and tax liability.
- Describe tax flow through entities, resolve tax issues applicable to partnership formation and acquisitions and determine the appropriate account periods and methods for partnerships.
- Calculate and characterize a partnership's ordinary business income or loss and its separately stated items, and demonstrate how to report these items to partners and apply the basis, at-risk, and passive activity loss limits to losses from partnerships.
- Determine the tax consequences to the buyer and seller of the disposition of a partnership interest, reasons for distributions and tax consequences of proportionate distributions.
- Describe the requirements and process to elect S corporation status, terminate the S Corporation election, operating issues relating to the S corporation accounting...
periods and methods, and explain income and loss allocations and separately stated items
• Explain stock-basis calculations, loss limitations, determination of self-employment income, and fringe benefit rules that apply to S corporation shareholders. Apply the tax rules for S corporation distributions and describe the taxes that apply to S corporations.

Learning Materials
Required Text:
• *Taxation of Business Entities*, 12th edition (2022), Brian Spilker *with* McGraw-Hill Connect code

• Additional readings will be assigned and posted to D2L.

Required Technology:
• Students are required to pay $8.50 once per semester for the ExamSoft service. This fee covers use of the software for all 300-level or above accounting courses the students are enrolled in, no matter how many classes you are taking. The fee must be paid through ExamSoft prior to taking your first exam or mock exam.

• We will utilize the Intuit ProConnect platform to create tax returns. The website is [taxeducation.intuit.com](http://taxeducation.intuit.com)

• We use D2L along with Connect, a platform from the book publisher

• You need a phone, tablet, or laptop in class daily for in-class activities

• You need access to a working computer for homework

• You need to regularly access the course D2L site and your university (@sfasu.edu) email.

Course Contact Hours and Study Hours:

ACCT 4343 is a 3-credit hour face-to-face course with approximately 3 hours of classroom time and 6 hours of out-of-class work per week. Please see the assignments below and the course schedule for the out-of-class assignments.
Grading Policies:

In order to pass the course, Accounting Department policy requires you to have at least a 60% average on the exams. I compute this by adding your scores on the 3 regular exams and the final, then dividing by 400 points.

If you meet that hurdle, your grade is determined by the following table:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Points Range</th>
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<tbody>
<tr>
<td>A</td>
<td>900 – 1,000 points</td>
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<tr>
<td>B</td>
<td>800 - 899.99 points</td>
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<tr>
<td>C</td>
<td>700 - 799.99 points</td>
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<tr>
<td>D</td>
<td>600 - 699.99 points</td>
</tr>
<tr>
<td>F</td>
<td>Below 600 points</td>
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</tbody>
</table>

No individual extra credit is offered for any reason.

If you feel something should be re-graded, you must raise the issue within one week of receiving the grade in D2L. Please raise the issue by email or during office hours.

Typical Weekly Schedule

A typical week in class will look like this:

- **Wednesday**
  - Watch lecture videos
  - Read chapter

- **Thursday**
  - Participate in class
  - Review your class notes
  - Start homework

- **Tuesday**
  - Participate in class
  - Review your class notes
  - Finish homework

- **Wednesday**
  - Begin next chapter
Course Supports

Beyond class meetings and the text, you have several other opportunities to get extra support for your learning:

1. **Office Hours** – I want you to succeed in this course. Office hours are the best time to see me. I’m happy to talk you through the material and answer your questions, either in small groups or 1-on-1. I may also be available to respond to emails at other times, but this is not guaranteed.

2. **Your Fellow Students** – Everyone enrolled with you shares your goal of making it through the course. You are not competing with them for a limited number of good grades. Get to know them. Work cooperatively to review notes. Ask questions. Explaining material to each other is a great way to understand it yourself.

3. **Online Resources** – There are many good videos / explainers available online. Please share ones you find and I will add them to D2L as appropriate.

Course Requirement Details

**Regular Exams**
There are three regular exams this semester worth 100 points each. Exams are conducted in person during normal class time. We use a computer and the Examplify software for testing, like all upper-level courses in the department.

**Allowed Resources:**
Each exam includes a built-in calculator. You are welcome to bring your own non-programmable calculator (no graphing calculators allowed).

You may also bring a 3x5 card with notes. The notes must be handwritten. The surface area of the card cannot be expanded beyond 30 square inches. You must turn in this card at the conclusion of the exam with your name on the card.

Any use of printed notecards, programmable calculators, books, other notes, internet-connected devices, other people, or any other resource not specifically allowed in the above text will be considered academic dishonesty. Failing to submit your card will result in your exam not being scored.

**Absences & Rescheduling:**
If you have a foreseeable absence during an exam, you must make plans well in advance to take the exam early. You may not take the exam outside of class without arranging it with me. I will not give late exams for any reason other than one that is, in my judgment, entirely unforeseeable. Missed exams will be recorded as a zero.
Before the First Exam:
A practice exam using Examplify is provided prior to the first exam that you must complete to know your account is configured correctly. I provide a laptop if you don’t have one. If you bring your laptop, you must be certain the software is working correctly.

After Each Exam:
I grade each exam anonymously. Once they are graded, a review password is sent out on D2L. Study what you got wrong and ask questions. You may well see questions like this again on the final and the CPA exam.

Comprehensive Final Exam
The comprehensive final exam occurs during the last class period. It is worth 100 total points. Like other exams, it is conducted in person utilizing a computer.

The final exam follows the same policies listed above under “Allowed Resources” and “Absences & Rescheduling.”

Cases
There are six case assignments due during the semester worth 50 points each. Each case is slightly different. See the information provided with each case for details on requirements.

Daily Activities
Daily activities are worth 10 points each and I count the highest 20 of 24 activities.

These activities take approximately 5 minutes and occur in person during pre-selected class meetings. You should utilize your own device (phone / laptop / tablet) to participate in these. You may not participate in these activities from outside of class without arranging it with me.

Excused Absences: If I receive notice you are at a university sponsored event (sports, field trip, etc.) or otherwise have an excused absence from the Dean of Students office, you will receive full credit for the activity.

I may assign alternative activities in place of in-class activities. If this occurs, you will receive several days’ notice in D2L.

Chapter Homework
Chapter homework is worth 10 points and I keep the highest 10 scores of the 11 assignments. The homework assignments from each chapter posted to D2L.
Homework is an important part of the learning design for our class. Homework gives you a chance to prove to yourself that you know the material and can do it when the exam happens.

**Mental Health**

SFA values students’ overall well-being, mental health and the role it plays in academic and overall student success. Students may experience stressors that can impact both their academic experience and their personal well-being. These may include academic pressure and challenges associated with relationships, emotional well-being, alcohol and other drugs, identities, finances, etc.

If you are experiencing concerns, seeking help, SFA provides a variety of resources to support students’ mental health and wellness. Many of these resources are free, and all of them are confidential.

**On-campus Resources:**

The Dean of Students Office (Rusk Building, 3rd floor lobby)
www.sfasu.edu/deanofstudents
936.468.7249 dos@sfasu.edu

SFA Human Services Counseling Clinic Human Services, Room 202
www.sfasu.edu/humanservices/139.asp
936.468.1041

The Health and Wellness Hub “The Hub”
Location: corner of E. College and Raguet St.

To support the health and well-being of every Lumberjack, the Health and Wellness Hub offers comprehensive services that treat the whole person – mind, body and spirit. Services include:

- Health Services
- Counseling Services
- Student Outreach and Support
- Food Pantry
- Wellness Coaching
- Alcohol and Other Drug Education

www.sfasu.edu/thehub
936.468.4008
thehub@sfasu.edu
**Crisis Resources:**
- Burke 24-hour crisis line: 1.800.392.8343
- National Suicide Crisis Prevention: 9-8-8
- Suicide Prevention Lifeline: 1.800.273.TALK (8255)
- Crisis Text Line: Text HELLO to 741-741

**Classroom Attendance & Behavior**

The Code of Student Conduct and Academic Integrity prohibits “Any classroom behavior (regardless of course delivery method) that interferes with the Faculty member’s ability to conduct class, failure to conform to the Faculty member’s announced expectations for the class, or the ability of other Students to learn.” (see Article V(c)i)

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. (University Policy 10.4)

**Accommodation for 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 promptly may delay your accommodations. For additional information, go to [http://www.sfasu.edu/disabilityservices/](http://www.sfasu.edu/disabilityservices/).

If you have testing accommodations, you **must** make arrangements to test with disability services or with the Rusche testing center. Another class meets immediately after ours, so you cannot test in this room if you need additional time. Further, this classroom is not a low-distraction testing environment. Appearing in our classroom for the exam is a waiver of any accommodation to which you are entitled.

**Cheating and Plagiarism**

In the accounting profession, ethics is of utmost importance, as numerous stakeholders rely on accounting information to make decisions. It is the intent of the Schlief School of Accountancy to foster and encourage integrity in all of its accounting classes. Therefore, there will be no tolerance for academic dishonesty, including but not limited to, plagiarism, cheating on examinations, papers, or other course-related work, copying or collaborating on assignments without permission, or other inappropriate conduct.
**Academic Integrity (Policy 4.1)** The Code of Student Conduct and Academic Integrity outlines the prohibited conduct by any student enrolled in a course at SFA. It is the responsibility of all members of all faculty, staff, and students to adhere to and uphold this policy.

Articles IV, VI, and VII of the new Code of Student Conduct and Academic Integrity outline the violations and procedures concerning academic conduct, including cheating, plagiarism, collusion, and misrepresentation. Cheating includes, but is not limited to: (1) Copying from the test paper (or other assignment) of another student, (2) Possession and/or use during a test of materials that are not authorized by the person giving the test, (3) Using, obtaining, or attempting to obtain by any means the whole or any part of a non-administered test, test key, homework solution, or computer program, or using a test that has been administered in prior classes or semesters without permission of the Faculty member, (4) Substituting for another person, or permitting another person to substitute for one’s self, to take a test, (5) Falsifying research data, laboratory reports, and/or other records or academic work offered for credit, (6) Using any sort of unauthorized resources or technology in completion of educational activities.

Plagiarism is the appropriation of material that is attributable in whole or in part to another source or the use of one’s own previous work in another context without citing that it was used previously, without any indication of the original source, including words, ideas, illustrations, structure, computer code, and other expression or media, and presenting that material as one’s own academic work being offered for credit or in conjunction with a program course or degree requirements.

Collusion is the unauthorized collaboration with another person in preparing academic assignments offered for credit or collaboration with another person to commit a violation of any provision of the rules on academic dishonesty, including disclosing and/or distributing the contents of an exam.

Misrepresentation is providing false grades or résumés; providing false or misleading information in an effort to receive a postponement or an extension on a test, quiz, or other assignment for the purpose of obtaining an academic or financial benefit for oneself or another individual or to injure another student academically or financially.

**Withheld 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 coursework 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 to compute the grade point average. For additional information, go to [https://www.sfasu.edu/policies/course-grades-5.5.pdf](https://www.sfasu.edu/policies/course-grades-5.5.pdf).
Legal Disclaimer

The material covered in this course is for general educational purposes only. This course (including the textbook, handouts, lectures, and other communications from the instructor) is not legal or accounting advice for any situation. Your instructor is not engaged in any representation or consulting arrangement with you. If you require tax assistance, you must seek the services of a competent professional to review your specific situation.

Your instructor focuses on the most common situations and areas needed for the CPA exam. Some complexities and exceptions found in the tax law are intentionally omitted to help the course fit the time allowed. Hypotheticals presented during the class may not receive a full consideration of all relevant facts. Further, the course materials and your instructor could be mistaken. You must not rely upon this course for any legal, tax, or accounting purpose.
Tentative Course Schedule

D2L has detailed daily task information and is the schedule of record, so please consult it regularly as changes may occur from what is printed below.

Per University Policy 7.8, I am providing notification that our course includes an examination during the final week of the semester.

<table>
<thead>
<tr>
<th>Date</th>
<th>Content Covered</th>
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<tbody>
<tr>
<td>8/29/23</td>
<td>Intro &amp; Syllabus</td>
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<tr>
<td>8/31/23</td>
<td>Chapter 1</td>
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<td>9/5/23</td>
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<td>9/7/23</td>
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<td>3</td>
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<tr>
<td>9/19/23</td>
<td>Tax Software</td>
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<td>9/21/23</td>
<td>3</td>
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<tr>
<td>9/26/23</td>
<td>Exam 1</td>
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<td>9/28/23</td>
<td>4</td>
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<tr>
<td>10/17/23</td>
<td>Provision for Income Tax</td>
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<td>10/19/23</td>
<td>Tax Software</td>
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<td>10/24/23</td>
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<td>10/26/23</td>
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<td>10/31/23</td>
<td>Exam 2</td>
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<td>11/16/23</td>
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<td>Exam 3</td>
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<td>12/7/23</td>
<td>Review for Final</td>
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<td>Final Exam</td>
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