

Accounting
Course Number: 22:010:629
Course Title: International Tax I

COURSE DESCRIPTION

This course covers the fundamentals of international taxation. You will learn the basic source rules, application of the tax rules, withholding obligations, and whether and how tax treaties apply. The thrust of this course is on so-called “in-bound” transactions (i.e., foreign taxpayers investing in the United States), but it will also cover “out-bound” transactions (i.e., U.S. taxpayers investing overseas) as well.

A tentative syllabus has been prepared for this course that is below. At the end of each class, I will try to gauge how far you should read for the next class (usually one or two “Units” per class). Anyone who cannot make a class should contact me via e-mail to learn about the next assignment.

Before coming to class, I will expect that everyone has read the assigned reading. Just as importantly, I will expect that everyone has attempted to answer all the problems posed in the text. The class will involve some lecturing, but its main focus will be on problem-solving.

You will be evaluated in this course on your ability to perform on the final examination.

This course promises to be challenging. My goal is to provide students with a working knowledge of international taxation and, in particular, so-call inbound and outbound transactions. Topics will thus include residency, source of income, FDAP, effectively connected income, the Branch Profits Tax, Subpart F income, FIRPTA, and withholding. We will also discuss the impact of tax treaties.

SYLLABUS FOR INTERNATIONAL TAXATION

1. Overview
2. Unit I: Classification of Taxpayers
3. Unit II: Nonbusiness Income of Foreign Persons
4. Unit III: Business Income of Foreign Persons
5. Unit IV: Real Property Income of Foreign Persons
6. Unit V: Branch Taxes
7. Unit VII (A, B, C): Foreign Tax Credit
8. Unit VIII: Income from Foreign Corporations

COURSE MATERIALS

The casebook in this course is Fundamentals of International Taxation (2018 ed, 2018/2019 Edition), by Boris I. Bittker & Lawrence Lokken). (Please do **NOT** secure an electronic version.) You should read the Code sections, regulations, and ancillary material that are cited at the beginning of each Unit -- they are the key to grasping the fundamental concepts of this course. Needless to say, you should therefore also purchase International Income Taxation Code and Regulations (CCH Publishing, 2019 – 2020). (You should **NOT** purchase the electronic version.)

You should also consider purchasing the following supplementary texts: (i) Practical Guide to U.S. Taxation of International Transactions, written by Robert J. Misesy, Jr. & Michael S. Schadewald (9th Edition, Wolters Kluwer); (ii) U.S. International Tax Compliance Guide (2017) published by CCH/Wolters Kluwer; and (iii) International Taxation, written by Joseph Isenbergh, and International Taxation, written by Richard L. Doerenberg. While none is a required text, they may help you with difficult international tax concepts. They also contain many useful problems for which the authors provide a complete analysis.

LEARNING GOALS AND OBJECTIVES

- This course is designed to help students develop skills and knowledge in the following area(s):

- To gain a general understanding of the ways in which the Internal Revenue Code applies to international transactions;
- To master fundamental concepts of international taxation such as source, withholding, and treaties;
- To understand the fundamental difference between in-bound and out-bound transactions; and
- To plan how to minimize taxpayers' tax burdens.

- Students who complete this course will demonstrate the following:

- A BASIC UNDERSTANDING THE CODE AND HOW IT APPLIES IN THE INTERNATIONAL ARENA
- HOW TAXPAYERS WHO ENGAGE IN INTERNATIONAL TRANSACTIONS ARE TAXED
- THE PUBLIC POLICIES THAT UNDERLIE THE CURRENT SYSTEM OF INTERNATIONAL TAXATION

- Students develop these skills and knowledge through class attendance and exam preparation.

PREREQUISITES

Fundamentals of Income Tax (603)

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>).

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

ATTENDANCE AND PREPARATION POLICY

- Expect me to attend all class sessions. I expect the same of you. If I am to be absent, my department chair or I will send you notice via email and Canvas as far in advance as possible.
 - For weather emergencies, consult the campus home page. If the campus is open, class will be held.
 - Expect me to arrive on time for each class session. I expect the same of you.
 - Expect me to remain for the entirety of each class session. I expect the same of you.
 - Expect me to prepare properly for each class session. I expect the same of you. Complete all background reading and assignments. You cannot learn if you are not prepared. The minimum expectation is that for each hour class session, you have prepared by studying for at least twice as many hours.
 - Expect me to participate fully in each class session. I expect the same of you. Stay focused and involved. You cannot learn if you are not paying attention.
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CLASSROOM CONDUCT

During class, please give your full attention to me and your fellow classmates. You should therefore not use laptops to surf the net, your cell phones to text, or engage in private, side conversations. While there are no specific penalties for failing to adhere to these simple rules, in my experience, distracted students ordinarily do not perform well on examinations.

EXAM DATES AND POLICIES

There is one exam for this course (final class date).

During exams, the following rules apply:

1. Please report 15 minutes early to the examination.
2. Aside from a simple calculator, you are NOT to use cell phones and/or any other electronic device.
3. Unless there is an emergency, you are NOT to use the restrooms. Accordingly, please use the facilities PRIOR to the examination.
4. When the examination is complete, please return all parts.
5. The time to complete your scantron is BEFORE the examination ends; not at the time the examination ends.
6. Following of the examination, there are NO extra-credit projects or problems.
7. If your employer only reimburses you if you attain a certain grade point average for a course is an issue that is between you and your employer.
8. Unless you have a medical or other legitimate excuse, you must take the examination at its scheduled date/time.

If you need to discuss something specific about your situation, kindly let me know sooner rather than later.

GRADING POLICY

Course grades are determined as follows:

- Criteria related to grade: Strictly based upon your performance.
 - Extra credit: NO extra credit.
 - Grade posting: Within two weeks of course completion.
 - Final word: Your final grade is not subject to negotiation. If you feel I have made an error, submit your written argument to me within one week of receiving your final grade. Clarify the precise error I made and provide all due supporting documentation. If I have made an error, I will gladly correct it. But I will adjust grades only if I have made an error. I cannot and will not adjust grades based on consequences, such as hurt pride, lost scholarships, lost tuition reimbursement, lost job opportunities, or dismissals. Do not ask me to do so. It is dishonest to attempt to influence faculty in an effort to obtain a grade that you did not earn, and it will not work.
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COURSE SCHEDULE

The exact material we cover in a particular class will depend based upon how quickly/slowly we are able to master material. That being the case, I have not listed specific material coverage on class-by-class basis.

SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu>.

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of *mental health* services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]