

Accounting
Course Number: 22:010:638
Course Title: Income Tax Accounting

COURSE DESCRIPTION

This graduate level tax course is designed for students to develop an understanding of the fundamentals of Federal Income Tax. This course is not intended *for students in graduate taxation programs*. Rather, this course combines basic fundamentals of income taxation that are in multiple graduate level courses thus giving student the accounting student broad coverage into individual as well as entity taxation. This course will help students develop skills in applying the tax law to client situations as well as analyzing the tax ramifications of business transactions. These skills are essential of graduates entering the workforce.

The course format is totally online requiring the student to work very hard. The material will be presented via, textbook reading assignments, studying handouts on tax topics showing examples, viewing selected taped video “tax topics”, weekly graded homework, and weekly “situational” homework that I assign, where you can view the solutions in a taped powerpoint, as I walk through the process to solve the problems. Additionally, we will have a weekly live virtual office hour for questions and answers.

COURSE MATERIALS

Required textbook:

McGraw Hill’s Essentials of Federal Taxation, 2022 Edition, 13e – Spilker

Purchase options:

- Option 1: Loose Leaf version (with *Connect software* access card)
- (If you do not purchase the text with “Connect”, you will also need to register and pay for Connect separately)
- Option 2: Purchase *Connect software* separately. Purchasing directly from McGraw Hill costs

approx. \$ 137.50. You will be able to access a **free e-book** through Connect. You will also be able to purchase a loose leaf version from McGraw Hill for approx. \$ 60 plus tax (free shipping). **This is the least expensive option and the most popular choice of students.**

Required online software:

McGraw Hill's Connect

In addition to “in class” homework assignments, students will be required to complete various homework assignments for credit using “McGraw Hill’s Connect”. See the separate flyer for Connect on-line registration instructions, including the URL unique to this class section.

CANVAS:

We will be using Canvas as your course portal. Besides course announcements, I will set up 13 course modules for students to complete. A typical module will include:

- Textbook readings
- Connect homework based on textbook readings
- Module handout(s) with deeper explanation of the module material
- Video clip(s) pertaining to some of the material in the module
- Situational homework based on the material in the module
- Video clip solutions and explanations of the situational homework
- homework assignments, supplemental materials, and other information will be posted on this platform.
- Finally, **I will post the time of the weekly virtual office hour.** We will use WEBEX to hold these office hours. Make sure you **sign up for RU Webex.** I will post a link in course announcements for you to join weekly office hours.

Exams will also be administered on Canvas. During exams, the following rules apply:

- All exams will be administered online and are closed book.
- We will be using a lockdown browser for online Proctoring. Therefore, you must take an Onboarding exam before being approved to take exams.

The lockdown browser requires that you have a Webcam (either built-in or external) attached to your computer. Everyone in our class must take an Onboarding exam which is a test which verifies that everyone’s webcam and other computer settings are properly working. Because our exams are all closed book you will also need to do a **room scan** on Proctortrack when you take the exams in order to verify

you were alone in the room in which you were taking a quiz and there were no phones, notes, etc. on your desks.

All cell phones and other electronic devices are strictly prohibited. Only a four function calculator may be used during the exams.

Please check CANVAS very frequently, as I will post important class announcements from time to time.

LEARNING GOALS AND OBJECTIVES

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

- **Knowledge.** Students will have a comprehensive understanding of basic Federal Tax Law for individuals and business entities, as well as the ability to apply the tax law to practical taxpayer situations.
- **Effective communication.** Students will be effective communicators.
- **Ethics:** During this course, students will be able to understand and evaluate ethical issues and situations pertaining to taxpayers as well as ethical issues pertaining to tax professionals.

- Students who complete this course will demonstrate the following:

- a) Knowledge of current federal tax law.
 - Successful students will demonstrate their ability to understand the sources of tax law, regulation of tax practitioners, and the administration to US tax law.
 - Successful students will demonstrate their knowledge of income tax law as it applies to individuals, including:
 - Determining gross income, income exclusions, character of income, and the timing of the recognition of income.
 - Determining tax deductions, including business deductions, deductions for the production of income, itemized deductions, and the deduction for qualified business income.
 - Proper tax treatment of property transactions, including sale of capital assets, sale of business assets, installment sales, like kind exchanges, and involuntary conversions.
 - Being able to perform special income tax calculations and additional taxes individuals are subject to including capital gain rates, kiddie tax calculations, alternative minimum tax, self-employment tax, additional Medicare tax, and the additional tax on net investment income.

- Being able to determine eligibility and handle calculations tax credits available to taxpayers.
 - Successful students will demonstrate their knowledge of income tax law as it pertains to C corporations and their shareholders, including:
 - Formation of a corporation
 - Operating distributions from a corporation to its shareholders.
 - Redemptions of stock by a corporation from its shareholders, and
 - Partial and full liquidations of a corporation.
 - Successful students will demonstrate their knowledge of income tax law as it pertains to S- corporations and their shareholders, including:
 - Understand the flow-through scheme of pass through entities.
 - How an S corporation determines the amount and character being passed through to its shareholders.
 - How shareholder's calculate their basis in their S corporation stock, including:
 - How basis determines allowable losses, etc.
 - How basis is restored, and
 - The difference between stock and debt basis
 - Successful students will demonstrate their knowledge of income tax law as it pertains to Partnerships and their Partners including:
 - Formation of a Partnership
 - Operating distributions and flow through scheme of this pass through entity
 - Transactions between Partner's and partnerships, and
 - Liquidations of a Partnerships.
 - How partners determine their basis of their partnership interest, and why this is critical.
- b) Ability to apply the appropriate tax law by analyzing taxpayer information, applying the appropriate tax law and solving tax problems. Students will learn the importance of tax matters in making business decisions.
- c) The ability to communicate complicated tax rules in a clear manner, both orally and written.

- Students develop these skills and knowledge in this online course through the following course activities and assignments:

- **Readings:** This class requires students to first gain knowledge through readings. This will include two types of readings:

- **First, textbook readings:** Students will have weekly textbook required readings. This is critical for an online class. This gives students the basic knowledge of the material in a given week.
 - **Second, handouts:** In most weeks, I will post handouts that I write on certain tax material for a student to study. Sometimes this will reinforce the text, with more examples, and other times it will go deeper than the textbook when I feel a student should know a bit more about the topic. Students should get a better understanding of some of these topics by **first** reading the textbook, and then reading the handouts. The handouts **are not a substitute** for the textbook readings, but generally should help the student to understand the topic better.
 - **Online Homework Assignments and Tools.** Students will be assigned weekly on-line homework to reinforce their understanding of their assigned readings in this course. These assignments provide feedback to students and provide reinforcement of the material contained in the assigned readings. Students also have access to the book publisher’s on-line interactive tool that reviews the materials in their readings.
 - **Situational Homework Assignments:** Since we do not have live classes, I will be assigning non textbook homework in most modules. These assignments are not graded but are critical for a student to work out. These questions will be more client situational, requiring the student to use the tax material they learned in the week to solve client situational problems. This is a critical skill students that want a career in accounting. These assignments require analytical thinking.
 - **Tax topic video clips:** I will post numerous tax topic video clips, as well as videoclips reviewing solutions to the situational homework. Not only should these clips reinforce your readings. But they will add additional insight or some deeper coverage on some topics.
 - **Exams.** The course includes four exams to formally assess students’ knowledge, comprehension and application. Exams will consist multiple choice, and short answer questions.
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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.

STUDENT EXPECTATIONS AND PREPARATION POLICY

This class is demanding for most students. We cover many essential tax topics in a depth necessary to solve tax problems facing individuals and businesses. Considering this is an asynchronous online class, it is critical for students to be self-motivated, diligent and very organized in order to be successful. In order to

help you be successful, I am providing the following format of how each week of the semester will be structured:

First: In each **module**, I will provide the following instructions:

1. Textbook readings
2. Connect homework based on textbook readings
3. Module handout(s) with deeper explanation of the module material
4. Video clip(s) pertaining to some of the material in the module
5. Situational homework based on the material in the module
6. Video clip solutions and explanations of the situational homework

Second: You should do number's **1 & 2** above very early in the week

Third: You should do numbers **3 & 4** above **after** you have done numbers 1 and 2

Fourth: You should work on the situational homework (**#5**) after the first 4 items are finished

Fifth: With your **completed** # 5 homework solutions in front of you, you should open and view the recorded powerpoint solutions to the problems, paying particular attention as to the process that is used to solve the problem. What is critical in tax is to have the correct approach to solving problems instead of a random approach.

Sixth: After you finished everything for the week, log into the “virtual” office hours that I will be holding this each week. Students to be able to ask questions or clarification of any of the material we covered during the week. Obviously in a live class there are many chances for discussion of the material as well as student questions, etc. This will be your chance to have this feedback given the online format.

Again, this course will prove to be challenging to most students, and we will be covering a great deal of material this semester. The **key to success** is that you will need to consistently work very hard **for the duration** of this course. This is not the kind of material that you can cram for and try to master right before an exam. If you do not have the adequate time to devote, I suggest that you may want to take this class when you do have the necessary time.

EXAM DATES AND POLICIES

Exams:

Exams will be administered in CANVAS as discussed on page 2 of this syllabus. **Please make sure you are set up and have taken the onboarding exam** as explained above.

All examinations are “closed book” and **make-up examinations will not be given.** All cell phones, other electronic devices, and **programmable calculators may not be used.**

We will be having 4 exams this semester. Our exams will be given at () on (). The **preliminary exam dates** are as follows:

- Exam I –
- Exam II –
- Exam III –
- Exam IV –

GRADING POLICY

Grades will be based on the following points and weights:

Online homework (Connect)	80 points	20.0%
Exam I	70 points	17.5%
Exam II	70 points	17.5%
Exam III	90 points	22.5%
Exam IV	<u>90 points</u>	<u>22.5%</u>
Total	400 points	100%

Additionally, there will be **NO EXTRA CREDIT** or other factors that impact your final grade.

Grades **are not subject to negotiation.** If you believe that an error has been made, students **must** submit a written explanation of the error within one week of receiving their grade. The fact that a student “tried hard” or had conflicting commitments and was unable to study does not warrant a grade change.

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.]