

**Accounting**  
**Course Number: 29:010:414**  
**Course Title: Federal Tax II- Adv Corp**

## **COURSE DESCRIPTION**

This is an elective upper level accounting course designed for students to develop an understanding Federal Income Taxation of entities. In this course, accounting students will learn federal income tax law pertaining to C Corporations, S Corporations, Partnerships, and estates and trusts, as well as the impact on their owners (shareholders, partners, beneficiaries, etc). This course builds on the principals of Federal Tax I and students will develop skills in applying the tax law to various forms of businesses and the impact to its owners. These skills are essential of graduates entering the workforce.

The course format will include lectures, discussions, and group problem solving. There will be homework problems assigned related to each chapter that will enable students to apply and understand the concepts learned in the lecture.

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## **COURSE MATERIALS**

### **Required textbook:**

Custom edition for RBS of:

*2020 edition of Corporate, Partnership, Estate & Gift Taxation – Pratt & Kulsrud, Van-Griner Learning*

### **CANVAS:**

We will be using Canvas throughout this class. Course announcements, homework assignments, supplemental materials, and other information will be posted on this platform.

Use your Rutgers NETID and Password to login at: [canvas.rutgers.edu](https://canvas.rutgers.edu)

Click on this course in order to access announcement, course documents, and other important information about our course. Please check Canvas frequently (at least twice a week). I will post important class announcements from time to time.

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## 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 Income Taxation of Entities, as well as the ability to apply the tax law to practical business 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 income tax law. The course focuses primarily on entity taxation, including C-Corporations, S-Corporations, Partnerships, and Estates & Trusts. Students will learn fundamental and advanced income tax law and demonstrate an ability to apply them to both the business entity as well as the business owners.
  - Successful students will demonstrate their knowledge of income tax law as it applies to Corporations, as well as the impact to its shareholders. This includes, corporate formation, operating distributions to shareholders, partial redemptions of corporate stock, and liquidations.
  - Successful students will demonstrate their knowledge of income tax law as it applies to S-corporations, as well as the impact on S-corporation shareholders. This includes, flow-through allocations to the shareholders and the treatment of S-corporation income and loss on the shareholder's income tax return. A student will be able to understand the importance of, and how to calculate shareholder basis in the S-corporation.
  - Successful students will demonstrate their knowledge of income tax law as it applies to Partnerships, as well as the impact to its partners. This includes, partnership formation, flow-through allocations to partners, distributions to partners, sale of a partnership interest, and partnership liquidations. A student will be able to understand the importance of, and how to calculate a partners basis in the partnership.
  - Successful students will demonstrate their knowledge of income tax law as it applies to Estates and Trusts, as well as the impact to the beneficiaries of estates and trusts.
  - Successful students will demonstrate their knowledge of income tax law as it pertains to tax credits available to taxpayers.
- b) Ability to apply the appropriate tax law by analyzing information, applying the appropriate tax law and solving tax problems. Students will have the knowledge to compare and contrast the tax differences in of different entity types and determine which form is most advantageous given the circumstances.
- c) The ability to communicate complicated tax rules in a clear manner, both orally and written.

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

- **Lectures.** Class lectures generally consist of two components. The first component is in depth lectures on tax law covering specific transactions and / or tax issues. Students need to master these rules. The second component focuses on practical application of these rules to solve real client tax matters. This practical element focuses on applying analytical and critical thinking to real world client scenarios. In this portion of class lectures, students are expected to participate and communicate clearly their approach in addressing and solving client tax issues.
- **In Class Homework:** Students will be assigned weekly in class homework. These assignments are analytical, and require applying the material to various tax situations. This reinforces the idea that knowing the tax rules is not enough. A tax professional needs to know how to use and apply those rules. These assignments require analytical thinking.
- **Case type assignment:** Students will work in small groups on a case assignment. This assignment will deal with a flow-through entity, requiring a tax analysis of the entity and the owner. In addition to the tax analysis and solution, the case will incorporate some tax planning by requiring the team to make recommendations of possible tax strategies.
- **Exams.** The course includes three exams to formally assess students' knowledge, comprehension and application. Exams will consist multiple choice, and short answer questions. In addition to the exams we will have 1 quiz for material not covered on exams.

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## PREREQUISITES

Students should have already successfully completed Federal Tax I

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## ATTENDANCE AND PREPARATION POLICY

All students are expected to attend class, arrive on time and not leave early.

- In addition to attending class, each student is expected to come to class properly prepared, by doing all of the reading and assignments **prior to class**. You will not learn much from the lecture if you are not prepared. The **minimum** expectation is that for each 1.5 hour class, you spend **at least** twice as many hours preparing for class (reading, homework, studying, etc.).

- In addition to attending class and preparing for each class, Additionally, each student is expected to be engaged and fully participate during class. You cannot learn if you are not paying attention.

- If you are going to be absent, report your absence in advance to: <https://sims.rutgers.edu/ssra/>. If your absence is due to religious observance, a Rutgers-approved activity, illness, or family emergency/death, **and you seek makeup work for an “approved” absence, also send me an email with full details and supporting documentation (i.e. a doctor’s note that you are medically unable to attend class.) within 3 days of your first absence.**

- If for any reason, I need to be absent, I or my department chair will send you a notice via email and Canvas as far in advance as possible.

- If you are going to be tardy to class or need to leave early, please let me know ahead of time. Also do not be disruptive if arriving or leaving while class is in session.

- I will be taking attendance during every class. As attendance is expected, there is not any addition to your grade due to your attendance. **However, there is a penalty which reduces your final grade** for any unexcused absence. This is the policy of the AIS department that is required of all accounting classes, including ours. The penalty for unexcused absences is explained below in the section headed “Grading Policy”.

- This course will prove to be challenging to most students. The **key to success** is that you will need to work very hard both inside and outside the classroom and not get behind. This is not the kind of material that you can cram for and try to master right before an exam.

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## STUDENT EXPECTATIONS

You are expected to put in substantial effort **outside the classroom**. This includes:

- **Reading all chapters and hand out materials prior to the class lecture.**
- **Completing the graded quizzes (dates announced in class).**
- **Completing the weekly homework problems to be covered in class prior to the class HW review session.**
- **Seeking help if you do not understand the material (i.e. coming to office hours)**
- **And, of course outside studying and review of your class lecture notes.**

We will be having 2 quizzes this semester the first quiz will cover chapters 1 & 2. We will also have a second quiz later in the semester. Most of the material will be covered in **exams**. Students need to be aware that there is a very big difference between a quiz and an exam. The quiz is designed to test your basic knowledge of the chapter 1 & 2 material. The **exams are much more difficult**. The exams will not only test to see if you “know the rules”, but more importantly, they will test to see if you can apply the rules to client situations and solve problems. Many students can “memorize” the tax rules, and recite them, but cannot apply them to client situations. My philosophy is that being able to apply the tax rules to solve problems and address client situations is the real indication of how well you understand Taxation.

In short, the key to success in the study of taxation is dedication and hard work. **If you cannot commit to spending the appropriate time required, you will have difficulty in this course.**

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## CLASSROOM CONDUCT

Students are expected to arrive to class promptly, participate and be engaged in class activity. Students are expected to treat their co-students with respect and not be disruptive or a distraction to others during

class. The use of laptops in class is permitted for note taking only. Laptop use for internet surfing, checking e-mails, or any other non-class reasons is prohibited.

Students wishing to ask questions or answer questions that I raise in class are expected to raise their hands and not “shout” out answers. When I am responding to a question raised by a student, please be respectful and not be disruptive.

**The use of any audio or video recording devices (including cell phones) is PROHIBITED in class and during office hours.**

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## **EXAM DATES AND GRADING POLICIES**

### **Exams:**

We will be having 2 semester exams and 1 final exam.

All examinations are “closed book” and **make-up examinations will not be given.** All cell phones, smart watches, and other electronic devices must be turned off and not on your desk taking the exams and **programmable calculators may not be used.**

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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](http://business.rutgers.edu/ai) for more details.

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## **GRADING POLICY**

Grades will be based on the following points and weights:

Class work	25 points	6.25%
Quiz – 1	25 points	6.25%
Group assignment	50 points	12.50%
Exam I	90 points	22.50%

Exam II	90 points	22.50%
Final Exam	<u>120 points</u>	<u>30.00%</u>
Total	<b>400 points</b>	<b>100.00%</b>

In accordance with departmental policy, there will be a penalty for unexcused absences. The penalty reduction for a single absence will be 4 points (1 percentage point). Additional absences will result in increasing penalties as follows:

**One absence – 1% (4 points) penalty**

**Two absences – 2% (8 points) penalty**

**Three absences – 4% (16 points) penalty**

**Four absences – 8% (32 points) penalty**

**Five absences – 16% (64 points) penalty**

**Six absences – 32% (128 points) penalty, etc.**

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.

Also, as to departmental policy, final letter grades are subject to the following criteria:

**Minimum performance for a letter grade of A: 90% (or 360 total points)**

**Minimum performance for a letter grade of B: 80% (or 320 total points), and**

**Minimum performance for a letter grade of C: 70% (or 280 points)**

## COURSE SCHEDULE

### PRELIMINARY SCHEDULE OF CLASSES, READINGS AND ASSIGNMENTS

**SUBJECT TO CHANGE**

**I WILL FINALIZE / MODIFY / AFTER OUR FIRST 2 CLASSES.**

<b>Topic</b>	<b>*Homework / Assignments</b>
Introduction to semester / Basics of entity taxation (Ch. 1)	<b>*Read Chapter 1.</b>
Basics of corporate taxation (Ch. 1)	<b>*Read handout on determining corporate taxable income.</b>
Basics of corporate taxation (Ch. 1)	<b>*Do chapter 1 homework prior to class.</b>
<b>QUIZ # 1 – Corporate taxable income</b>  Formation of a corporation (Ch. 2)	<b>* Read half of chapter 2 prior to class.</b>
Formation of a corporation (Ch. 2)	<b>* Read balance of chapter 2 prior to class.</b>  <b>* Read 3 handouts on IRC sec. 351</b>
Formation of a corporation (Ch. 2)	<b>*Do chapter 2 homework prior to class.</b>
Formation of a corporation (Ch. 2)	<b>To be announced in class.</b>
Corporate Distributions (Ch. 3)	<b>* Read half of chapter 3 prior to class.</b>  <b>* Read handout on distributions and IRC sec 301.</b>
Corporate Distributions (Ch. 3)	<b>* * Read balance of chapter 3 prior to class.</b>  <b>Read handout on earnings and profits.</b>

Corporate Distributions (Ch. 3)	<b>* Do chapter 3 homework prior to class.</b>
Corporate Distributions (Ch. 3)	<b>*To be announced in class.</b>
<b>Exam # 1 – Chapters (2 &amp; 3)</b>	<b>STUDY!!</b>
Stock redemptions (Ch. 4)	<b>* Read half of chapter 4 prior to class.</b> <b>* Read stock redemption handout</b>
Stock redemptions (Ch. 4)	<b>* Read balance of chapter 4 prior to class.</b> <b>* Read handout on the impact on E&amp;P due to stock redemptions</b>
Stock redemptions (Ch. 4)	<b>*Do chapter 4 homework prior to class.</b>
Stock redemptions (Ch. 4)	<b>*To be announced in class.</b>
Complete liquidations (Ch. 5)	<b>* Read half of chapter 5 prior to class.</b> <b>* Read handout on liquidations.</b>
Complete liquidations (Ch. 5)	<b>* Read balance of chapter 5 prior to class.</b> <b>* Read handout on impact on E&amp;P due to liquidations.</b>
Complete liquidations (Ch. 5)	<b>*Do chapter 5 homework prior to class.</b>
<b>Exam # 2 (Chapters 4 &amp; 5)</b>	<b>STUDY!!</b>
S. Corporations (Chapter 11)	<b>* Read chapter 11 prior to class.</b>

S. Corporations (Chapter 11)	<b>* Read S. Corp. handouts.</b>
S. Corporations (Chapter 11)	<b>*Do chapter 11 homework prior to class.</b>
Partnership taxation basics (Selective portions of Chapter 9 & 10).	<b>* Read “assigned pages of chapter 9 &amp; 10.</b>
<b>NO CLASS – FRIDAY SCHEDULE HAPPY THANKSGIVING!!</b>	
Partnership taxation basics (Selective portions of Chapter 9 & 10).S. Corporations (Chapter 11)	<b>* Read handouts on partnerships and partners.</b>
Partnership taxation basics (Selective portions of Chapter 9 & 10).S. Corporations (Chapter 11)	<b>* Do assigned homework.</b>
Income taxation of Estates & Trusts (Ch. 16).	<b>* Read chapter 16 prior to class.</b>
Income taxation of Estates & Trusts (Ch. 16).	<b>* Do additional assigned homework.</b>
<b>Final Exam</b>  <b>Check University Exam Schedule.</b>	

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**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](http://ods.rutgers.edu).

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

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

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

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

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