

NEW MEXICO STATE UNIVERSITY
ACCT 455
FEDERAL TAXATION II
SPRING 2009

INSTRUCTOR: Bill Smith

OFFICE: GU 207

OFFICE HOURS: Tuesday & Thursday - 10:30 – 12:00
Wednesday – 10:30 – 12:00
Other times by appointment

OFFICE PHONE: 646-1422

EMAIL: smith@nmsu.edu

PREREQUISITES: Accounting 403.

REQUIRED TEXT: CCH Federal Taxation – Comprehensive Topics, 2008 Edition.
Smith, Harmelink, & Hasselback.

CATALOG DESCRIPTION

Federal income tax laws applicable to partnerships, corporations, fiduciaries, tax research, tax planning.

COURSE LEARNING OBJECTIVES

This course will serve as an important continuation from the introductory federal income tax course that addressed income tax for individuals. In this course we will cover numerous topics that will provide an introduction to taxation of corporations, partnerships, estates, and trusts. For those students who plan to sit for the CPA exam and enter public accounting, familiarity with the material covered in this class should be extremely beneficial. This will provide an important next step in your knowledge of tax accounting applicable to the aforementioned entities, which will be both challenging and rewarding.

At the end of this course, you should have a basic understanding of federal tax applicable to various entities. You should be able to apply these basic tax rules to complete a corporate tax return (Form 1120), a partnership tax return (Form 1065), a gift tax return (Form 709), an estate tax return (Form 706) and a trust tax return (Form 1041). In addition, you will develop insights into tax related procedures applicable to these entities and gain an understanding of accounting related issues that include cash basis versus accrual basis, year end and timing issues, and the importance of various tax elections.

GRADING

The total points available for this course are as follows:

Exams (3 @ 100 pts.)	300
Quizzes & Homework	100
Tax Returns	<u>200</u>
Total Points	<u>600</u>

Letter grades will be determined as follows:

540 – 600 = A
480 – 539 = B
420 – 479 = C
360 – 419 = D
0 – 359 = F

If you are taking this course on the S/U grading basis, your grade will be computed in the same manner as those of the other students. You must receive a grade of "C" or better for satisfactory completion of the course. An incomplete "I" grade will not be assigned except under circumstances that clearly comply with university regulations as set forth in the catalog.

EXAMS

There will be three exams given during the semester that will include the final exam to be administered during finals week. The exams may consist of multiple choice, short answer essay, and structured problems. There is **NO** provision for a make-up exam during the semester. In the event that a student has a **DOCUMENTED** university excused absence, an alternative exam will be provided; however, the student **MUST** provide written notification in advance of the missed exam. The specific time and date will be provided to any student that qualifies for and is thus in need of an alternative exam. Also, programmable calculators or any other text capable devices are **NOT** allowed for any exam and sharing of calculators during an exam is forbidden.

ASSIGNMENTS

Students will be responsible for the assigned chapter and related problems set forth on the assignment sheet. Homework problems are due on the assigned date and may be randomly collected throughout the term. Problems should be PRINTED LEGIBLY on four-column accounting work paper. Late homework will **NOT** be accepted. Students are strongly encouraged to stay current with the class. Should problems be encountered, you will need to seek out immediate help. **DO NOT FALL BEHIND!** Also, the instructor may assign additional problems not listed on the assignment sheet. This will be announced in advance during class; and accordingly, you will be responsible for completing. Failure to timely submit homework problems may have an adverse impact on your final grade.

ATTENDANCE AND COURSE EXPECTATIONS

Tax accounting is more than just knowing how to work problems. The lecture/discussion will tie everything together; however, you should have read the assigned material and attempted the exercises BEFORE coming to class and be prepared to ask and answer questions in class. Simply showing up to the lecture and copying the exercises covered in class as the professor is presenting them and then later attempting to rework the assigned homework problems will not ensure your success in this course. Thus, you MUST prepare for each class in advance. Your success in this course is directly related to your preparation and effort. Accordingly, YOU must assume the responsibility for your learning in this course. As was the case in the first income tax course, this course will require a substantial time commitment on your part if you intend on fully understanding the material. Regular attendance is expected. You will be held responsible for any announcements made and any material covered during class.

DISABILITIES

If you have a disability that interferes with your performance as a student in this class, you are encouraged for academic reasons to discuss this on a confidential basis with your instructor, in order to provide reasonable accommodations. In addition, you may wish to contact the Services for Students with Disabilities (SSD) office located at Garcia Annex to register. If you have already registered, please make sure your instructor receives a copy of the accommodation memorandum from SSD within the first two weeks of class. It will be your responsibility to inform the instructor and the SSD representative (in a timely manner) if the services/accommodations provided are not meeting your needs.

ACADEMIC DISHONESTY

Students are expected to conduct themselves with the highest level of integrity. Academic dishonesty in ANY form will NOT be tolerated. For a definition of academic dishonesty and the related consequences, consult the student handbook. The instructor will pursue every available course of action against any such student. In addition, plagiarism or any other form of unauthorized collaboration will constitute academic dishonesty. ANY student caught submitting ANY work that is not his or her own will receive a failing grade for the ENTIRE COURSE – NO EXCEPTIONS! High academic standards will be adhered to in this course.

INCOME TAX RETURN ASSIGNMENTS

Given that this is course will provide an introduction to corporate tax, partnership tax, estate tax, gift tax, and trust tax, I would expect that four income tax return problems will be assigned for each of the aforementioned tax areas. You will therefore complete the assigned income tax returns during the semester. Each assignment and respective due date will be announced in class. Further details will be provided.

QUIZZES

Pop quizzes will be given during the semester. There is no provision for a make-up. A grade of zero will be given for a missed quiz.

STUDYING FOR THE EXAMS

Preparation for an exam begins on the first day of class. In other words, to be successful, you must engage in a continuous process of studying. You will quickly learn that there are numerous details in federal income tax that will require a substantial time commitment from you in order to fully understand the material. Slacking off, followed by cramming DOES NOT WORK. There is simply too much integrated and detailed information covered to merely memorize. Assuming you have been diligently keeping up with your work, begin your preparation for a test by reviewing your notes several days before the test. Note items the professor has stressed and items that were either not covered at all or declared to be of lesser importance. Concentrate on the items the professor considered important. Chances are they will be on the exam. Review your notes and the chapter outlines or summaries you prepared. Skim through the chapters that will be covered on the exam. Focus on those items that were declared to be important and if you have forgotten anything or if you are unsure, re-read the relevant sections in depth. Work some comprehensive, difficult problems. If you find them easy, congratulations, you are ready. If however you have difficulties with these problems, go back to the text and your notes. Work some easier problems; now try the harder ones again. Budget your time carefully and NEVER study at the last minute. You must give your mind some time to absorb and understand the material. If you try to cram at the last minute (especially after nine or ten o'clock the night before the exam) you will simply become more befuddled. Make sure you have enough time before the exam to become relaxed. Do not let yourself be trapped in last minute, hysterical sessions with your classmates. Instead go for a walk, relax and collect your thoughts, whatever is enjoyable. Of course, the above only applies if you diligently studied at the appropriate time (EARLIER!!!). If you didn't, you are on your own. Good Luck! You will need it!

ADDITIONAL

A tentative assignment schedule for the term is attached. I reserve the right to make any changes in the assignment schedule. Thus, should there be any changes in this assignment schedule, they will be announced in class, accordingly, you will be held responsible for such changes.

An optional study manual for this course is available entitled CCH Federal Tax Study Manual, 2008. You may contact the bookstore or CCH at 1-800-248-3248 or online at www.CCHGroup.com. In addition, there is also a free online learning center available at www.cchstudymate.com. You will need to provide the access code provided on the tear-out instruction card found in the textbook before chapter1. Please let me know if you have any questions.

You will need four-column accounting work paper for completing the homework assignments.

WEB CT

Upon registering for this course, you were placed on the Web CT page for the section you are enrolled in. You will use this during the semester for checking grades, obtaining various posted assignments, obtaining another syllabus copy, etc. We will discuss this in class.

CPA EXAM AND 150-HOUR REQUIREMENT

New Mexico law requires applicants for the CPA Examination to have at least 150 semester hours of education. Texas and most other states also have the 150-hour rule, but the nature of these 150 hours can vary significantly from state to state. For example, in New Mexico, only 30 total hours of accounting are required to sit for the CPA exam, and 3 of these hours can be in business law. In Texas, 30 UPPER DIVISION accounting hours, plus an approved accounting ethics class, are required to sit for the exam. Including sophomore-level accounting courses, this totals 39 hours of Accounting. (NMSU will provide a Texas-approved accounting ethics class beginning in Fall 2005.)

To find the requirements for a particular state, see the following AICPA website, which links to the various state boards of accountancy:

<http://www.aicpa.org/yellow/ypsboa.htm>

MASTER OF ACCOUNTANCY

Many who plan to sit for the CPA Exam choose to remain in school for a Master of Accountancy degree. If you are thinking about a career in public accounting, you may wish to consider this program as the most beneficial way to enhance your background and credentials before accepting a career position. The Master of Accountancy degree is fully accredited by the AACSB. In addition, the M.Acc. Degree should allow you to meet the CPA certification requirements in most, if not all, states. If you are interested in entering the M.Acc. program at NMSU, please contact the director, Dr. Cindy Seipel (cseipel@nmsu.edu , Room BC 333, 646-5206) for more information. You should keep in mind, however, that professional certifications other than the CPA are available and may be more appropriate for your career objectives. Should you ever have any questions, please do not hesitate to ask me or any other accounting faculty member. Our primary concern is your success.

NOTABLE QUOTES

"The hardest thing in the world to understand is the income tax." - *Albert Einstein*

"Over and over again Courts have said there is nothing sinister in so arranging one's affairs as to keep taxes as low as possible. Everybody does so, rich and poor, and all do right, for nobody owes any public duty to pay more than the law demands. There are two systems of taxation in our country: one for the informed and one for the uninformed." - *Honorable Learned Hand, US Appeals Court Justice*

ASSIGNMENT SHEET

<u>DATE</u>	<u>CHAPTER</u>	<u>ASSIGNMENTS</u>
1/15	Introduction / Ch. 2	
1/20	Ch. 2 / Ch. 13	13 – 29, 31, 34
1/22	Ch. 13	13 – 38, 39, 41, 54, 69
1/27	Ch. 14	14 – 52, 53, 55, 58
1/29	Ch. 14	14 – 62, 68, 69, 70, 72
2/3	Ch. 14	14 – 74, 78, 102, 103, 104
2/5	Ch. 15	15 – 25, 27, 28, 30, 32
2/10	Ch. 15	15 – 35, 36, 37, 43
2/12	Ch. 15 / Review	15 – 46, 62
2/17	EXAM I	
2/19	Ch. 18	18 – 22, 25, 26
2/24	Ch. 18 / Ch. 19	18 – 28, 29, 33
2/26	Ch. 19	19 – 23, 25, 26, 28
3/3	Ch. 19	19 – 32, 33, 34
3/5	Ch. 19 / Ch. 20	19 – 41, 45, 50, 51
3/10	Ch. 20	20 – 31, 33, 36, 38
3/12	Ch. 20	20 – 40, 42, 44, 49
3/17	Ch. 20 / Review	20 – 54, 57, 60
3/19	EXAM II	
3/24	SPRING BREAK	
3/26	SPRING BREAK	

<u>DATE</u>	<u>CHAPTER</u>	<u>ASSIGNMENTS</u>
3/31	Ch. 21	21 – 51, 56, 58
4/2	Ch. 21	21 – 60, 64, 68, 69
4/7	Ch. 21	21 – 77, 78
4/9	Ch. 21 / Ch. 22	22 – 28, 29, 30
4/14	Ch. 22	22 – 33, 34, 35, 36, 37
4/16	Ch. 22	22 – 43, 50, 62, 63
4/21	Ch. 22 / Ch. 23	23 – 26, 31, 32, 33
4/23	Ch. 23	23 – 41, 53
4/28	Ch. 23	
4/30	Ch. 23 / Review	

**FINAL EXAM
(TBD)**

IMPORTANT DATES

January 26 - Last day to add a class
 March 9 - Last day to drop with a “W”
 April 17 - Last day to withdraw from the university

WITHDRAWING FROM THE COURSE

If you are considering withdrawing from the course, I strongly encourage you to please meet with me first to discuss your situation. Should you still decide to withdraw from the course, please be sure to secure a signed course withdrawal form to ensure a “W” is designated for your course grade. Do NOT simply stop coming to class! If you do not formally withdraw from the course, you will most likely receive an “F” for the final course grade.