

Utah State University
Accounting 3410
Income Taxation I
Fall 2009

Class: 10:30-11:20 a.m., MWF
Business Building Room 209 (B-209)

Instructor: Vance Grange, Ph.D., CPA/PFS, CFP®

Office: Business Building Room 505

Office Hours: 9:30 AM - 10:20 AM MWF
11:30 AM - 12:00 NOON MWF
1:30 PM - 1:45 PM MWF and by appointment

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Texts:

South-Western Federal Taxation Individual Income Taxes, 2010
Edition, by Hoffman, Smith, & Willis.

Supplementary Materials: *CCH tax research software (internet)*
Lacerte tax return preparation software
In B113 and B115
BNA Income Tax Planner software in B113

In order to (1) save students money on the textbook, (2) provide convenient practice questions and problems for study, and (3) provide a convenient means of submitting homework problems, each student must register and order an electronic textbook through an online application known as Aplia. The last page of this syllabus contains information about registering online for Aplia. Through Aplia, a student obtains an electronic textbook as a part of the basic registration fee of \$80. Any student who would like to have a hard copy of the textbook can

obtain a copy through Aplia for an additional cost of \$80. Therefore, both the electronic and hard copies of the textbook can be obtained for a total cost of \$160. A hard copy of the textbook alone costs more than \$160 if it is purchased elsewhere. The basic cost of \$80 provides both the electronic textbook and the right to use the Aplia system. It should be noted that buying the hard copy alone is not an option. It is necessary to sign up to use Aplia to submit homework and to use the other features of Aplia. **Students who receive financial aid will need to purchase an access code to Aplia from the USU Bookstore. Please talk to a Bookstore representative at the textbook help desk in the Bookstore.**

Course Objectives:

This course is the first of a two-semester series of courses dealing with the subject of federal taxation. Accounting 3410 is designed to explore the application of federal laws and other tax authority to the income taxation of individuals. Many of the tax laws, regulations, court decisions, and other sources of tax authority to be considered in this course also apply to the income taxation of corporations and other entities.

Although this course is designed to provide you with an understanding of the basic *concepts* of the federal income taxation of individuals, some of the lecture material and all of the assignments are designed to assist you in *applying* those concepts. The activities which are intended to help you in applying the concepts include the following:

1. The instructor will discuss the use of computer technology in preparing tax returns, performing tax research, and doing tax planning.
2. You will prepare tax returns for individuals both manually and with the use of a computer.
3. You will learn some basic methods of tax research by searching out the answer or answers to tax questions using an online tax research service.

The School of Accountancy is making an effort to stress the personal development of students. This effort focuses on activity-based learning to help students develop competency in communication, logical reasoning, problem identification and solving, creative thinking, and research. The employers of accounting graduates have recently stressed that students must learn to learn rather than simply being passive receivers and

memorizers of knowledge. Students should develop a high level of commitment to professional conduct and ethical behavior.

Objectives for each chapter of the textbook are listed on the first page of the chapter.

Teaching Procedures:

You will be expected to be prepared to discuss and ask questions about the material assigned for each class period. This will require that you read the material and answer questions in Aplia prior to the class period during which the material will be discussed.

You are encouraged to participate in class. Class participation includes attending class and participating in the discussion of concepts, problems, research cases, and tax returns. Asking questions, expressing opinions, and sharing insights, experiences and even frustrations are both important and encouraged. You may participate by volunteering, or by being called upon by the instructor.

The instructor will discuss the basic concepts treated in each chapter. In addition, some of the more confusing details will be presented. In most cases, the concepts discussed by the instructor will be illustrated with problems or examples. The instructor will also supplement the text with court cases and experiences from tax practice.

Even though some concepts will not be discussed in class, they may be included on exams unless the instructor tells you that they will not be tested.

Attendance and preparing in advance have proven to be very important in this class!

Working homework problems is an essential element in learning about taxation. Practice problems are provided in Aplia. Feedback is provided for these questions, but the practice questions are not graded. You are encouraged to work as many practice problems as possible.

A smaller number of **graded questions** are also provided in Aplia. **These questions must be answered by the due date provided in Aplia.** No immediate feedback is provided for these questions.

Tax returns and tax research problems will be handed in for grading.

A study guide has been placed on reserve in the library. The study guide contains an outline for each chapter and sample test questions of several types. The study guide may be helpful in learning the material and in preparing for exams. A copy of the study guide can be purchased through the USU Bookstore or directly from the publisher. The ISBN number for the study guide is 0324829167.

International Topics:

The College of Business and the School of Accountancy promote the integration of international issues throughout the curriculum. In this course, international topics are addressed in Chapters 1 (Types of Taxes), 3 (Dependents), 4 (Definition of Gross Income), 5 (Foreign Earned Income), 9 (Foreign Business Travel), 10 (Itemized Deductions for Taxes), and 12 (Foreign Tax Credit). Throughout the course, comparisons are made with the tax systems of other countries.

Ethical Considerations:

Ethical considerations features appear in each chapter. Ethical issues will be discussed throughout the course. Both the instructor and each student will be expected to behave in an ethical manner throughout the course. See *Academic Integrity—"The Honor System"* at <http://www.usu.edu/policies/PDF/Acad-Integrity.pdf>

Professional Conduct and Acceptance of Responsibility

The instructor and students will be expected to demonstrate professional conduct and to take responsibility their own actions or their lack of professional conduct.

Professionals in any field should demonstrate competence, a strong sense of responsibility, and a commitment to perform at a high level. Please demonstrate professional responsibility as a student. Follow instructions, show initiative, seek to do your best, and avoid complaining. Go beyond what is required whenever possible. Demonstrate impeccable integrity.

Working in Teams:

You are encouraged to work with other students in doing tax returns and research assignments. You may work together in doing your graded homework problems if you wish. You are also encouraged to study and prepare for exams together in small groups. Please contribute meaningfully to your group. No groups will be assigned by the instructor.

Course Fees:

You have paid a \$10 course fee for this class. The money is used to purchase the software and to pay for materials provided by the School of Accountancy for the course.

Grading:

Grades will be based on the following:

Exams (5)	60%	(100 points each)
Research Problems	9%	(10 points each)
Tax Returns	9%	(10 points each)
Graded Homework	20%	(points vary)
Meetings	2%	(10 points each)

	B+ = 86%	C+ = 76%	D+ = 66%	
A = 93%	B = 83%	C = 73%	D = 60%	F = <60%
A- = 90%	B- = 80%	C- = 70%		

Exams:

Five exams will be given. Any emergency requiring nonattendance for a scheduled exam is to be discussed with the instructor prior to the exam unless such prior notification and discussion is impossible because of the nature of the emergency.

Participation/Attendance:

You are encouraged to participate in class. You may be asked to present the solution to a problem in class. Attendance will be informally monitored.

Research Problems and Tax Returns

Each Research Problem, Tax Return, or Tax Planning Problem will be explained on a separate page.

Meetings: 10 points (1% of grade) will be given for attending and submitting a brief report on each of two meetings during the semester. The report need not be typed. It may consist simply of notes (or a copy of notes taken during the meeting. Be sure to record your name, the course number, and identifying information about the meeting attended. Eligible meetings include professional meetings (professional speaker or presenter) of student organizations, a session of a Partners' Program

seminar, or a Dean's Convocation speaker. Other meetings must be approved by the instructor.

Accomodations for Disabilities:

If you have a disability that will likely require some accomodation by the instructor, you must contact the instructor and document the disability through the Disability Resource Center, preferably during the first week of the course. Any requests for special consideration relating to attendance, pedagogy, taking of examinations, etc., must be discussed with and approved by the instructor in cooperation with the Disability Resource Center. The Center can provide course materials in alternative formats -- large print, audio, diskette, or Braille.

ASSIGNMENT SCHEDULE

<u>#</u>	<u>Date</u>	<u>Chapter/Topic</u>	<u>Assignments</u>
1	Aug 24 M	Introduction: Overview of course Introduction of syllabus 1 Introduction to Taxation and Understanding the Federal Tax Law	
2	Aug 26 W	1 Introduction to Taxation Introduction of Research Problem 1	
3	Aug 28 F	1 Introduction to Taxation 2 Working with the Tax Law Introduction of Tax Return 1	Research 1 due
4	Aug 31 M	2 Working with the Tax Law	
5	Sep 2 W	2 Working with the Tax Law 3 Tax Determination, etc. Introduction of Research Problem 2	Return 1 due
6	Sep 4 F	3 Tax Determination, etc.	
	Sep 7 M	No Classes: Labor Day	
7	Sep 9 W	3 Tax Determination, etc. Introduction of Tax Return 2 Brief Review	Research 2 due
8	Sep 11 F	Exam 1	

9	Sep	14	M	Review Exam 1 3 Tax Determination, etc.	
10	Sep	16	W	3 Tax Determination, etc. Introduction of Research Problem 3	Return 2 due
11	Sep	18	F	4 Gross Income	
12	Sep	21	M	4 Gross Income	
13	Sep	23	W	5 Gross Income Introduction of Tax Return 3	Research 3 due
14	Sep	25	F	5 Gross Income	
15	Sep	28	M	6 Deductions & Losses: In General	
16	Sep	30	W	6 Deductions & Losses: In General Introduction of Research Problem 4	Return 3 due
17	Oct	2	F	7 Certain Business Expenses & Losses Brief Review	
18	Oct	5	M	Exam 2	
19	Oct	7	W	Review Exam 7 Certain Business Expenses & Losses Introduction of Tax Return 4	Research 4 due
20	Oct	9	F	7 Certain Business Expenses & Losses 8 Depreciation, etc.	
21	Oct	12	M	8 Depreciation, etc.	
22	Oct	14	W	8 Depreciation, etc. Introduction of Research Problem 5	Return 4 due
23	Oct	15	R	9 Employee & Self-Employed Deductions (Attend Friday Classes)	
	Oct	16	F	No Classes: Fall Break	
24	Oct	19	M	9 Employee & Self-Employed Deductions	
25	Oct	21	W	10 Itemized Deductions Introduction of Tax Return 5	Research 5 due

26 Oct 23 F 10 Itemized Deductions

27 Oct 26 M 11 Investor Losses*
12 Alternative Minimum Tax*
Brief Review

28 Oct 28 W Exam 3

29 Oct 30 F Review Exam Return 5 due
13 Tax Credits (Partial Coverage)
Introduction of Research 6

30 Nov 2 M 13 Tax Credits (Partial Coverage)

31 Nov 4 W 13 Tax Credits (Partial Coverage) Research 6 due
14 Property Transactions: Gains, Losses
And Basis
Introduction of Tax Return 6

32 Nov 6 F 14 Property Transactions: Gains, Losses
And Basis

33 Nov 9 M 14 Property Transactions: Gains, Losses
And Basis

34 Nov 11 W 14 Property Transactions: Gains, Losses
And Basis
15 Property Transactions: Nontaxable Return 6 due
Exchanges

35 Nov 13 F 15 Property Transactions: Nontaxable
Exchanges
Brief Review

36 Nov 16 M Exam 4

37 Nov 18 W Review Exam
15 Property Transactions: Nontaxable
Exchanges

38 Nov 20 F 16 Property Transactions: Capital
Gains & Losses

39 Nov 23 M 16 Property Transactions: Capital
Gains & Losses

Nov 25 W No Classes: Thanksgiving Break

Nov 26 R No Classes: Thanksgiving Break

Nov 27 F No Classes: Thanksgiving Break

40 Nov 30 M 17 Property Transactions: §1231 & Recapture

41 Dec 2 W 17 Property Transactions: §1231 & Recapture

42 Dec 4 F Catch Up and Review

Dec 9 W Final Exam 9:30-11:20 a.m. B-209

*Brief coverage of chapter. Skim chapter and take notes in class.