COURSE: FEDERAL TAXATION I  
No. TAX 4001-001  
SUMMER 3 credits

Instructor: Clinton M. Tarkoe  
Location: SO 170  
Lecture time: Tuesdays and Thursdays 06:30-08:05 PM  
Office hours: Tuesdays and Thursdays 05:30-06:30 before class (room to be announced) and after class or another time by appointment  
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COURSE DESCRIPTION: Prerequisites: ACG 2071, and junior standing. (Any student who does not meet course prerequisites will be administratively withdrawn from such course or courses at any time during the semester when such deficiency is determined to exist). A study of business entities is stressed. Also, significant classroom time is devoted to the federal income taxation of individuals.

OBJECTIVE: The primary objective is to provide an understanding of major tax issues involved in business and financial planning. An additional objective is for the student to become familiar with certain Internal Revenue Code sections and Treasury Regulations. The course is designed to be a comprehensive introduction to the federal income tax system, its basic concepts and principles. You will note that the text is entitled “Principles of Taxation for Business and Investment Planning. Primary emphasis will be on those tax provisions that affect business and individual taxpayers in the context of a three-dimensional framework (tax formulas, taxpayer activities, and taxpayer entities).

The course and text focus on an understanding of income taxation and its major concepts, not on its compliance aspects (return preparation). The objective of this course is to expose the students to a broad range of tax concepts in order that the students will be able to recognize major tax issues and have a command of tax concepts. The text material is based on three postulates:

1. Students should learn the tax law as an integrated component of a complex economic environment.
2. Students should comprehend the tax law as an organic whole rather than as a fragmented collection of rules and regulations.
3. Students who learn fundamental concepts have a permanent frame of reference into which they can integrate the constant changes in the technical minutiae of the law.

TOPICS COVERED IN THIS CLASS INCLUDE:

Exploring the Tax Environment  
- Types of taxes  
- Tax policy issues: Standards for a good tax  
Fundamentals of Tax Planning
Taxes as transaction costs
Maxims of income tax planning
The Measurement of Taxable Income
  Taxable income from business operations
  Property acquisitions and cost recovery deductions
  Property dispositions
  Nontaxable exchanges
The Taxation of Business Income
  Sole proprietorships
  The corporate taxpayer
  The choice of business entity
The Individual Taxpayer
  The individual tax formula
  Compensation and retirement planning
  Tax consequences of personal activities

OUTCOMES: This course encompasses six learning objectives in the form of cognitive outcomes:
1. Knowledge. Describe the federal tax system in terms of (1) the taxes imposed and the affected taxpayers and (2) the legislative and judicial development of the tax law.
2. Comprehension. Understand (1) the impact of taxation on the U.S. economy and personal financial planning and (2) the fundamental tax concepts that apply to business, investment, employment, and personal transactions.
3. Application. Identify tax issues in transaction-based fact patterns that are encountered in compliance and planning situations and (1) apply tax concepts and rules to resolve the issues and (2) use the English language to report information derived from the application of concepts and rules.
4. Analysis. Analyze (1) the manner in which tax information is disclosed in financial statements and the relationship between financial accounting and tax accounting for business transactions and (2) how tax costs and savings are integrated into net present value calculations of after-tax cash flows.
5. Synthesis. Develop a financial analysis methodology that (1) identifies and assesses information relevant to the tax and non-tax costs and savings of alternative business, investment, employment, and personal decisions and (2) compares the tax and non-tax costs and savings of these decisions.
6. Evaluation. Employ a financial analysis methodology to evaluate and communicate the tax and non-tax costs and savings of alternative business, investment, employment, and personal decisions.

PLEASE NOTE THAT NONE OF THESE OUTCOMES IN ANY WAY PERTAINS TO TAX COMPLIANCE – THIS IS NOT INCOME TAX RETURN PREPARATION COURSE. DO NOT EXPECT TO BE ABLE PREPARE RETURNS ON THE BASIS OF TAKING THIS COURSE. THERE IS VERY LITTLE HANDS ON FORM WORK (See Topics Covered above)
Keys to success in this class:

(1) Attend class. Invariably, students who do not attend the class will find it difficult to have a successful outcome. By the same token, just attending class without having read or prepared for it usually will not result in a successful outcome.

(2) **IF YOU ARE THE TYPE OF STUDENT WHO DOES NOT READ THE TEXT OR WHO WANTS TO LEARN EVERYTHING FROM THE LECTURES OR WHO FEELS THAT THE LECTURES MUST COVER EVERYTHING IN THE TEXT OR FEELS THAT HOMEWORK MUST BE GONE OVER IN CLASS, THEN THIS COURSE IS NOT FOR YOU.** Likewise, **IF YOU FEEL THAT YOU MUST BE MOTIVATED BY EXAMS, QUIZZES, OR GRADED HOMEWORK, THEN THIS COURSE IS NOT FOR YOU.**

(3) Please be aware that this is not a return preparation course. We focus on concepts and principles of income taxation.

(4) In order to have a successful outcome in this course, you will need to have read the assigned text chapters prior to class. You should be able to understand the illustrated examples in the text. **If not, then that means you may have read the text material but that you do not understand it.** It may be necessary for you to read the material again. Do not confuse skimming over the material or reading with understanding what you have read. **COMPREHENSION COUNTS.** If after re-reading the applicable sections you still do not understand how the author reached the result in the illustrated examples, then ask in class how to solve the example.

(5) You should also attempt to do the assigned problems so that you are familiar with them prior to class.

(6) At the beginning of each class, students will be asked if they have any questions on the text material and assigned problems. If you do not understand the material or text illustrated problems, then you need to ask questions. If you do not ask questions, then it will be assumed that you understand the material.

(7) Learn the tax lingo. At the end of each chapter are the key tax terms that have been covered. Learn to use these terms in place of saying “thing, thingy, stuff, y’know what I mean, whatever, etc.”

(8) **As this course progresses it becomes more analytic and conceptual in order to sensitize you to the tax implications of transactions. In order to understand tax concepts, you need to ask good tax questions.**

(9) In addition to (1) and (2) above, usually the students with successful outcomes in this class will re-work the assigned problems after we have gone over them. On some occasions the solutions to the problems will be given prior to class. Do not expect to have a successful outcome in this class if you wait to review the solutions prior to a test. For the most part the students who have had a successful outcome in this class have attempted the assigned problems prior to our going over them in class and then have attempted to do them again after we go over them in class. This reinforces how the tax concepts are applied and how to approach the application of the materials we cover. This requires some effort and discipline on the student’s part to go back and review what we have just covered without waiting to do so just before a test.

**Methods of Instruction:** Class time will be used in the following ways:
1. Instructor's coverage of subject matter, but we will not have time to cover all the subject matter in class. Again, do not expect that you will be able to come to class and just learn the material by coming to class.

2. In class and group discussions related to chapters.

3. Student reading of text sections to class and being asked to think about what they have read.

4. Going over assigned problems.

5. Generally, the first class period of the week will be used to review the text material. During the second class we will go over the assigned problems. However, it may not be possible to follow this sequence every week.

6. Do not expect powerpoint presentations. Text powerpoints will be available for you on Blackboard but will not be presented in this class.

The most efficient use of class time is to reinforce what you have accomplished on individual basis before coming to class. Classroom learning will then be maximized by serious study of the assigned readings and doing the text problems and then asking questions during class on what you did not understand.

TEXTS:


(2) Optional - Lathrope, *Selected Federal Taxation Statutes and Regulations*, (Thompson West 2007 or later Edition). The Internal Revenue Code and the Treasury Regulations may be accessed online through RIA Checkpoint.

(3) Textbook website:
   http://highered.mcgraw-hill.com/sites/0073379476/student_view0/index.html

(4) Blackboard

COURSE REQUIREMENTS:

The class approach will be lecture with discussion and problem analysis.
No recording devices are allowed in order to have unfettered discussion.

EXAMS. Three non-comprehensive open book exams will be given. Each exam may consist of problems, short answers, and essay questions. The exams will not be comprehensive. If an exam is missed without prior approved arrangements, then written approval from the Director's office is almost always required for a make-up exam or use of other grade averaging procedures. None of these exams will be curved. All the exams will be added up and if need be, may then be curved.

POP QUIZZES. Up to five, unannounced closed book quizzes may be given. The number of quizzes will depend upon whether the assigned material is being read prior to class.
PARTICIPATION. You are expected to come to class having read the assigned text and completed (attempted) the assigned problems and to participate each week in class.

Homework will not be collected, but you cannot expect to receive additional credit for participation unless you volunteer to discuss the homework.

In order to qualify for additional credit for participation your timely and relevant participation will be considered vis-à-vis your classmates’ participation each week and will take into account such matters as the frequency of your participation and its substance.

ATTENDANCE: You are expected to attend each class, and attendance may be taken at the end of class. Unexcused absences from more than three classes will result in an automatic grade of “F” in the course. Reviews sessions may be held, especially prior to an exam. These sessions are for students who regularly attend class. If you have an unexcused absence prior during to a review class for that exam, the session will not be used as an opportunity for you to make up the classes that you have missed. Office hours will not be used to help make up material that you have missed because of unexcused absences from more than one class.

**Participation, excessive absences.** Participation and attendance is an important part of your grade. Matters discussed in class will be tested and the instructor will not do makeup lectures or provide assistance in the event of an unexcused absence. Attendance may be taken. In this course there seems to be a direct correlation between class attendance and course success The instructor reserves the right to make positive grade adjustments for students for good attendance, participation and other exemplary performance.

You are advised to read the University’s policy on student attendance found on page 57 of the University Catalog. Students are responsible for arranging to make up work missed because of legitimate class absence, such as illness, family emergencies, military obligations, court imposed legal obligations or participation in University approved activities. It is the student’s responsibility to give notice prior to any anticipated absence and within a reasonable amount of time after an unanticipated absence.

AVAILABILITY: I can be reached at the above e-mail address or telephone number. I check my e-mails daily.

**COMPONENTS OF YOUR GRADE:**

First exam: 100 points  
Second exam: 100 points  
Third exam: 100 points  
Quizzes: Up to 50 points (will be given on an as needed basis)

Please note that these are the determinants of your grade. So, if you do poorly on a test, then the only way you can make up for that performance is to do better on the next test.
Tests: the test may be multiple choice, short essay or some combination of both. Tests, but not quizzes, will be open book. Even though the test may be open-book, do not expect to learn the materials during the test. You will not have time to so and invariably leads to the student using too much time to read and to try to understand the text material at the expense of the rest of the test. It will be incumbent upon you to manage your time efficiency during the tests.

Grade Breakdown:
Your grade will be determined on a percentage basis according to the following scale:

- **A** 92 to 100
- **A-** 90 to 91.99
- **B+** 88 to 89.99
- **B** 82 to 87.99
- **B-** 80 to 81.99
- **C+** 78 to 79.99
- **C** 72 to 77.99
- **C-** 70 to 71.99
- **D+** 68 to 69.99
- **D** 62 to 67.99
- **D-** 60 to 61.99
- **F** below 60

I reserve the right to lower the grading scale but never to raise it.

**Incompletes.** The "I" grade is reserved for those situations where the student is in good standing and where the student is unable to complete only a small portion of the course during the semester due to exceptional circumstances with the approval of the instructor. It indicates a grade deferral and will be changed to a grade other than “I” within a specified time frame not to exceed one calendar year from the end of the semester during which the course is taken.

You must maintain your FAU email account. All messages sent through the mail system on the Blackboarde will be delivered only to your FAU account. You may set up your FAU account so that the mail automatically forwards to a different address. However, you are still responsible for making sure your FAU account is working properly (i.e. do not allow mailbox to fill so that messages are bounced as “undeliverable”). If you need help with your FAU account, you may contact the help desk at 3999@fau.edu or by phone at 561-297-3999.

**School and college policies:**

**School of Accounting Uniform Course Policies.** The SOA has adopted policies that apply to all accounting faculty, students and courses. These policies are considered a part of this syllabus. Please review policies below. Please note that these policies are not meant to prevent additional requirements by the instructor in any particular course.
Uniform Course Policies

In the event of a conflict between this document and a course syllabus, this document will prevail.

Syllabus updates may be necessary during the semester. Students are expected to access the class syllabus on the professor’s home page for updates.

Students are required to have an e-mail account through the university. An FAU e-mail account will be automatically generated upon enrollment, and you are required to use only your FAU account for all university correspondence. This service will be able to accept attachments. Students must have access to Word and Excel for attachments. Students are responsible for class announcements made via e-mail.

Each student is expected to subscribe to the appropriate School of Accounting Newsletter. Please e-mail Susan Dobson at dobson@fau.edu to subscribe to the appropriate newsletter. Students are responsible for any announcements posted to the applicable newsletter.

Majors are strongly encouraged to complete the accounting core before taking any other accounting courses (accounting, non-core courses).

At least TWO (2) accounting core courses should be completed before any other accounting courses are taken. After this, other accounting courses may be taken concurrently with the third accounting core course.

Grade of “C” or better is required in all major courses.

Any student who does not meet course prerequisites will be administratively withdrawn from such course or courses at any time during the semester when such deficiency is determined to exist.

No student may register for the same upper division accounting or tax course after receiving grades of “C-”, “D+”, “D”, “D-” or “F” in that course a total of two (2) times.

No student may register for upper division accounting or tax courses after receiving five (5) grades of “C-”, “D+”, “D”, “D-”, “C-” or “F” in upper division accounting or tax courses.

Students must complete a minimum of fifteen (15) credit hours of upper division accounting and/or tax courses in the major at Florida Atlantic University.

Note that an “Incomplete” is not a substitute for a poor grade and is rarely granted. In accordance with the policy of the School of Accounting and the College of Business, an “Incomplete” will be given only under the following circumstances:

The student has an excused absence that prevented the on-time completion of the course requirements.

Any student who decides to drop is responsible for completing the proper paper work required to withdraw from the course.


Important dates: Florida Atlantic University – Academic Calendar 2008-2009

Any student who has not met the prerequisites for a course may be administratively dropped from the course at any time during the semester. This policy may be found in the FAU undergraduate catalog.
A fundamental principle of academic, business and community life is honesty. In the academic environment, the following are critical:

For most graded assignments, students are expected to work independently. However, team assignments typically require students to work together. For both individual and team assignments, each student should be careful not to represent the work of others as his or her own.

Appropriate classroom behavior is expected at all times, including respect for the instructor and peers. Disruptive classroom behavior is unfair to other students who are in class to learn, as well as to the instructor, and will not be tolerated.

The Internet is a powerful tool providing access to a wealth of information. Students are reminded that plagiarism guidelines that apply to printed materials also apply to materials accessed via the Internet. The School employs plagiarism (cheating) detection methods, including software such as Turnitin.

All students are referred to the Chapter 6C5-4.001 of the Student Handbook entitled “Honor Code, Academic Irregularities, and Student’s Grievances.” It is the policy of the School of Accounting at Florida Atlantic University to adhere to the provisions of this section. Faculty of the School of Accounting will take action to secure the maximum penalty in the event of any observation of a violation. The policies may be found in the FAU catalog at: Academic Policy

Comments concerning this document should be addressed to Dr. Som Bhattacharya, Director of the School of Accounting.

Revised: 08/17/07

Academic irregularities: The FAU Graduate School of Business has adopted a strict academic honesty policy. You should review this policy statement found under the Uniform Course Policies. A fundamental principle of academic, business and community life is honesty. Therefore, all students are expected to follow Regulation 4.001 of Chapter 4 of the University Regulations. Penalties ranging from a grade of ‘F’ in the course to dismissal from the University will be administered.

Students agree that by taking this course all required papers may be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers.

Religious Holidays. Students should notify instructor of religious holidays (that a student intends to observe) within the first week of class.

Disabilities Students.
If you are a special needs student you are responsible for notifying me of your status with the Office of Students with Disabilities, as well as providing me with other information relevant to your needs. You are advised to do this on the first day of class. The instructor will not be responsible for your failure to provide timely notice of needs that affect the timing or administration of any assignment or examination. You are responsible for
providing advance reminders of special testing needs seven days prior to each examination.

**Syllabus controls.** This syllabus controls all matters related to the class. In no event will student requests for exceptions be granted. Requests for separate or special treatment may be considered to be an “interference with the educational mission of the classroom” in accordance with the Academic and Policies and Regulations section of the FAU University Catalog and will be dealt with in accordance with the procedures therein depending on the nature and seriousness of the offense.

*This syllabus may be revised during the semester to correct errors, provide clarification or to articulate university and/or college policies. In addition, the instructor reserves the right to make changes as he deems necessary for the administration of the course. Emergencies, including extreme weather conditions, security issues and other matters may also result in changes to the course format, this syllabus and scheduled classes, lectures, etc.*

TAX 4001-001  SUMMER 2009
TENATIVE CLASS SCHEDULE – subject to change

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