

University of North Texas
ACCT 4300 – Federal Income Taxation
Fall 2005

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Office Hours: Monday and Wednesday 3:30-4:30, and by appointment
Class Times: Section 001: Monday and Wednesday, 2:00-3:20 p.m.
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Course Description and Objectives: This course is designed to be a comprehensive introduction to the federal income tax system. Although the emphasis is primarily on the taxation of individuals, many of the concepts and rules are applicable to other taxable entities (such as corporations). We will discuss basic tax concepts such as income, deduction, credit, gain, and loss. This course should provide you with an understanding of the motivation behind tax law, a working knowledge of the technical rules, and an awareness of tax planning opportunities and limitations. Upon completion of this course, I would like you to (1) understand tax concepts and their rationale, and (2) be able to apply the technical rules to factual situations.

Required Materials:

- *Taxation for Decision Makers, 2006 Edition*, by Dennis-Escoffier and Fortin (Pearson Prentice Hall).
- I will also hand out materials in class. If you miss class on the day of a handout, it is **your** responsibility to download the handouts from the class website (see above).
- Homework solutions will be available on the website. In general, I will post the solutions after the corresponding chapter is covered in class.
- Several of last year's exams and quizzes are available on the class website. However, you should note that a different textbook was used in all prior years that I have taught this course. Therefore, exams and quizzes from prior years may not be representative of the exams and quizzes for this current fall semester.

Grading: Course grades will be based on the following requirements:

Exam #1	25%
Exam #2	25%
Final Exam	30%
Quizzes (equally weighted)	12%
Tax Return Project	<u>8%</u>
	<u>100%</u>

Course Prerequisites: ACCT 2020, 2030, with grades of C or better; ECON 1100, 1110; MATH 1100 or 1180, 1190; BCIS 2610; and senior standing.

Course Format: The material will be presented in a lecture/problem-solving format. The basis of the discussion will be the assigned readings and textbook problems. If some of the concepts or terms we are discussing are not clear, ask questions. There are probably many other students with the same question.

Preparing for class: I expect you to arrive prepared to discuss the day's topic. My lecture pace and content assume that you have prepared for class. Before each class session, you should have read the chapter and completed (or at least attempted to complete) the assigned homework problems and any additional assignments for that day. Although I do not plan on picking up and grading the homework assignments, they facilitate preparation for in-class discussion and participation.

Homework problems: The homework problems are designed to encourage preparation and facilitate discussion, and should be prepared for each class. You will not be turning these in for a grade. Because of time constraints, we will not always be able to cover all of the assigned problems during class time. Solutions to these homework problems will be available on the class web site.

Note: If I find that students are not preparing for class and are coming to class ill-prepared, I reserve the right to begin collecting the homework problems. The homework would become part of your overall quiz grade.

Exams: There will be two midterm exams and a final exam. The two midterm exams will be administered during class, and the dates for each are noted on the attached schedule. There will be NO make-up exams given. There are absolutely NO exceptions to this rule. If you do not take a midterm exam at the scheduled date and time, you will receive a zero for that exam. No exceptions.

The final is cumulative and is NOT optional in any way, shape, or form. Everyone will take the final at his or her class' scheduled time. There are absolutely NO exceptions to this rule.

The percentage grade that you earn on the final exam will be used to replace your lowest midterm exam score, if the final exam score is higher than the midterm score.¹ Incompletes will be given only in accordance with University policy.

¹ For example, assume that you score 80% on Exam #1, zero on Exam #2, and 70% on the final exam. Then the following scores will be used to calculate your course grade: 80% for Exam #1, 70% for Exam #2, and 70% for the final exam.

*Now assume that you score 60% on Exam #1, zero on Exam #2, and 70% on the final exam. Then the following scores will be used to calculate your course grade: 60% for Exam #1, 70% for Exam #2, and 70% for the final exam.

*Now assume that you score 75% on Exam #1, 75% on Exam #2, and 70% on the final exam. Then the following scores will be used to calculate your course grade: 75% for Exam #1, 75% for Exam #2, and 70% for the final exam.

Grading Policy: Discrepancies or questions concerning points earned on a written assignment (including exams and quizzes) can only be resolved after you have provided a written explanation for why you think you should receive credit on a particular question. No oral evidence will be considered in resolving the discrepancy. You must submit your written explanation regarding any discrepancies or questions within one week of the date the assignment is returned to you. Also, when regrading your assignment, keep in mind that I regrade the entire assignment, not just the discrepancy or question you specify.

Quizzes: There will be ten short quizzes (approximately 10-20 minutes) during the semester. These will test your knowledge of the most recent lectures and will reward regular attendance. The 3 lowest quiz scores will be dropped, and there will be NO make-up quizzes. There are absolutely NO exceptions to this rule. The dates of the quizzes are as follows:

Quiz #1	September 14
Quiz #2	September 21
Quiz #3	September 28
	• No quiz this week. Exam #1.
Quiz #4	October 12
Quiz #5	October 19
Quiz #6	October 26
Quiz #7	November 2
Quiz #8	November 9
	• No quiz this week. Exam #2.
	• No quiz this week.
Quiz #9	November 30
Quiz #10	December 5

Tax Return Project: You will have a tax return project due toward the end of the semester. We will discuss the details of this project at a later date.

Special Needs: If you have a physical or learning disability that requires special consideration for exams or otherwise, please contact me within the first two weeks of the semester.

Non-University Observed Religious Holidays: Religiously observant students wishing to be absent on holidays that require missing class should notify me in writing by **Monday, September 12**. You should provide me with a schedule of the days that you will miss this semester. I can then discuss with you acceptable ways of making up any work missed because of the absence.

Withdrawal Policy: To drop this course, you must follow official University withdrawal procedures. Failure to attend classes and/or take exam(s) does not constitute a drop. A student who stops attending the class and fails to officially drop will receive a grade of F. Consult the Academic Calendar for specific deadlines.

Academic Dishonesty: I have absolutely no tolerance for cheating or other acts of academic dishonesty. Do not cheat! The University's "Code of Student Conduct and Discipline" governs all work undertaken and submitted in this course. All students are responsible for making themselves aware of the definitions and implications of academic misconduct. It is the student's responsibility to obtain all published materials and updates relating to the code from the Vice President for Student Development Office.

As specific guidance for this course, you should consider the writing of all examinations and quizzes to be an individual effort. In addition, simply copying the work of a fellow student on the tax return project is also considered a violation of the honor code. The penalty for a violation of the honor code can be quite severe. If you are unclear in any way about this policy, either in general or in its specific application to your work in this course, see me immediately.

Suggestions for doing well and getting the most out of this course:

1. Attend class regularly. You will discover that attendance is critical for doing well in this course.
2. Bring your textbook to all classes.
3. Read your assignment before and after it is discussed in class. Class discussion will be more meaningful if you have read the material carefully beforehand.
4. Attempt to complete each assignment fully. Some of the assignments will be discussed in class. I expect you to be prepared to answer questions and present solutions based on your assigned readings and homework problems. Due to limited class time relative to the amount of material to be covered, class discussions will assume you have completed the assigned readings and put forth a good effort on the homework problems before class. You may encounter difficulty in following class discussions if that is not the case. Your efforts on homework problems will point out areas where you need further study.
5. Do not expect to read 10 pages in the tax text as quickly as you might read 10 pages in other texts. Ten pages per hour is a reasonable pace when reading tax material.
6. For effective comprehension, you should examine in detail all illustrations and calculations contained in the textbook. Work through the examples on a separate sheet of paper. Carefully examine each example to make sure you understand it before moving on. This is especially important since tax rules build upon one another.
7. Develop your tax vocabulary. Tax terminology is complex and is not always identical to accounting terms.
8. **DON'T FALL BEHIND.** Provide for about 3-5 hours of study and preparation before each class, or 6-10 hours if you are in a class that only meets once per week. Students who have spent 2 hours completing a homework assignment often assume they have "studied" income taxes for two hours. To obtain a basic understanding of the material, however, you need to spend additional hours reading the text, digesting class notes, and thinking about the tax issues. Unless you provide for this kind of study time in addition to homework time, you will find yourself falling behind and probably unable to cope with exams. Talk with your classmates about difficult material and make every effort to master each topic. If you cannot verbalize and outline a method of solution for a particular problem, then you probably don't have a grasp of it. Do not wait until after an exam to determine whether or not you understand the material.
9. Participate in class discussions! Ask questions if you are confused! I will assume you understand the material unless you ask questions.

Class Schedule

The following dates are the *approximate* dates that we will cover the assigned material in class. I reserve the right to go faster or slower as class progress dictates.

As discussed in the syllabus, the problems below will not be collected for grading. We will cover some of these problems in class, but certainly not all of them. Solutions will be placed on the website after we cover the corresponding chapter in class. I reserve the right to add or delete problems.

Date of class	Readings from Text	End-of-Chapter Problems
8/29 and 8/31	Chapter 1: Introduction	25, 26, 35, 36, 37, 43, 62, 63, 64(a)
9/5	<i>Labor Day. No class. Enjoy!</i>	
9/7 and 9/12	Chapter 2: Tax Practice Environment	6, 7, 22, 29, 33, 34, 37, 40, 41, 69, 70
9/14 and 9/19	Chapter 3: Gross Income	6, 14, 17, 22, 25, 26, 27, 31, 33, 34, 36, 39, 40, 41, 43, 45, 56, 65, 70, 72
9/21 and 9/26	Chapter 4: Employee Compensation	14, 16, 20, 21, 22, 24, 25, 27, 28, 29, 30, 31, 32, 36, 42, 59, 61
9/28 and 10/3	Chapter 11: Income Taxation of Individuals	20, 21, 23, 24, 25, 27, 28, 30, 31, 32, 33, 35, 39, 40, 64, 65, 67
10/5	Exam #1	
10/10 and 10/12	Chapter 5: Business Expenses	6, 8, 10, 18, 21, 22, 23, 24, 26, 27, 29, 35, 37, 41, 65, 67
10/17 and 10/19	Chapter 6: Property Acquisitions and Cost Recovery Deductions	1, 6, 16, 18, 19, 20, 22, 25, 31, 34, 37, 61
10/24 and 10/26	Chapter 7: Property Dispositions	18, 20, 22, 26, 33, 35, 37, 38, 39, 41, 42, 48, 63, 65, 69
10/31 and 11/2	Chapter 8: Tax-Deferred Exchanges	16, 17, 20, 24, 26, 28, 31, 38, 40
11/7, 11/9, and 11/14	Chapter 9: Taxation of Corporations	4, 5, 16, 19, 20, 22, 23, 26, 29, 31
11/16	Exam #2	
11/21 and 11/23	Chapter 10: Sole Proprietorships and Flow-Through Entities	6, 10, 15, 16, 24, 27, 29, 31, 33
11/28, 11/30, 12/5 and 12/7	Chapter 12: Wealth Transfer Taxes and catch-up	17, 19, 21, 26, 28, 30, 31, 33, 34, 35, 36, 40, 42, 60, 62