

THE UNIVERSITY OF ILLINOIS AT CHICAGO
College of Business Administration
Department of Accounting

Accounting 445 – Federal Income Tax I
Fall 2008

Instructor:

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Office Hours: 12:30 – 2:30 Tuesday, 2:30 – 4:30 Wednesday, and 3:30 – 4:30
Thursday.

Prerequisite:

Accounting 315: Intermediate Financial Accounting I.

From the Accounting Department Mission Statement:

The accounting department is committed to quality educational programming, research pursuits and community service. We significantly contribute to the College of Business Administration's mission to create new knowledge, new business, new value and new leaders for Chicago and the world beyond. Students admitted to our degree programs must show the potential and demonstrate proficiency in contemporary management skills such as information technology, communication techniques and teamwork. The program will promote a prospective of the global economy and cultural diversification necessary for the knowledge worker of the 21 century.

Course Objectives:

The primary objective of this course is to introduce you to the basic rules of federal income taxation. It provides students with background, knowledge, skill set, and research experience related to taxation. In addition the course prepares you for the CPA examination questions in individual income taxation. Upon completion of this course, the successful student will:

- Learn the applicable laws regarding the federal income taxation of an individual.
- Comprehend how tax laws influence personal and business behavior.
- Identify and apply relevant sources of authority to research the application of the tax law to actual and potential transactions.
- Develop the ability to prepare federal income tax return for individuals.
- Demonstrate effective oral and written communication skills through classroom and research activities.

Catalog Description:

Concepts and provisions of federal income taxation as applicable to individual taxpayers, partnerships, individuals and trusts.

Required Text:

South-Western Federal Taxation: Individual Income Taxes, Hoffman, Smith, and Willis.2009 Edition.

Teaching Method:

I consider learning to be a joint endeavor. It is my job to facilitate learning. It is your job to read the assigned materials and work the assigned problems before they are discussed in class. This is a very challenging course. The subject matter is complex and the workload is substantial. This calls for a lot of effort on your part. However, it is the only way you can successfully learn the course material and realistically develop the set of skills needed to become an accountant.

The classes are lecture, discussion, and problem solving oriented. You are encouraged to ask questions and provide comments as considered appropriate. Every student will be called on in class to discuss assigned material and problems. Some problems may be solved in small groups (teams) during class, with one or more teams presenting their answers.

Grading:

Course final grades will be determined based upon the following criteria:

First Exam	20%	100 points
Second Exam	20%	100 points
Final Exam (Comprehensive)	30%	150 points
Quizzes	10%	50 points
Two Tax Research Projects	10%	50 points
Practice Set	<u>10%</u>	<u>50</u> points
Total	<u>100%</u>	<u>500</u> points

Final grades will be based on a straight 90%, 80%, 70%, 60%, scale for an A, B, C, D, etc. The scale may be lowered if deemed necessary.

Students taking this class for graduate credit or as an 'honors' course will be required to complete an extra project. If you are receiving graduate credit for this class or taking it as an 'honors' course please see me as soon as possible to discuss ideas for the extra project.

Incomplete:

Incompletes will be granted only in documented cases of undue hardship or clearly extraordinary circumstances, and according to university policies.

Groups:

As you enter your professional careers you will find out that the ability to function well as part of a group, team, or committee is necessary for success. During this course, you will have the opportunity to work in a group. Students will have the option of selecting their own group or being assigned to one. Since the group is designed to function as a unified body, everyone in the group will receive the same grade for each project. However, at the end of the semester, I will afford each group member the opportunity to grade the other members of the group. This will give me an opportunity to adjust the grades of nonperforming group members. Please note that collusion among groups for assignments will be construed as cheating.

Tax Research Projects:

The primary emphasis of this course is to acquaint you with the general rules of taxation. The objective is to develop within each student a basic tax awareness or more specifically, a framework that enables recognition of tax problems (i.e., is there a tax problem here, what is the tax issue). Once an issue is identified, it is important to understand that more often than not the solution is not obvious but needs additional research. For this reason familiarity with the sources of the tax law and how to access and use them to find solutions to tax problems is a critical part of tax education. Each group will research tax cases and provide a written report.

Practice Set:

This assignment requires each group to complete the 2007 Individual Income Tax Return for Sidney T. and Arline S. Rice (Problem 1 in Appendix F) using Form 1040 and the following Schedules and Forms: A, B, C, D, E, SE, 4684, 2106, and 4562. Form 1040 and the necessary schedules and forms can be downloaded from the IRS website <http://www.irs.gov>. Grading of the practice set is based on accuracy and neatness of presentation. No late practice sets will be accepted.

Due Dates:

Research project 1: Due on Tuesday, October 7, in class.

Research project 2: Due on Tuesday, November 11, in class.

Practice set: Due on Tuesday, November 25, in class.

Quizzes:

Six unannounced quizzes will be administered throughout the semester, with the lowest quiz grade being dropped. Each quiz is worth ten points. They will be in the form of short problems. The only way to prepare for them is to read the assignments and do the home work. They will give you early feedback on your understanding of the material. There will be **no make-up quizzes**.

Homework:

Each student is responsible for reading the assigned material and doing all of the assigned problems before class. Homework should be done as assigned but will not be collected. Instead, the quizzes will serve as an indicator of homework progress. Written homework solutions will be available shortly after the assignments due date.

Exams:

Exams may consist of multiple choice, short answer, problems, and/or essays. They are to be taken as scheduled in the course calendar. There will be **no make-up exams**.

Attendance:

Regular class attendance is essential and expected. There is a direct correlation between attendance and success in the course. If you miss a class session due to sickness or emergency, it is your responsibility to obtain the class notes from a classmate. You are responsible for everything covered in all class sessions.

Academic Integrity:

In all courses, you are expected to conduct yourselves in a manner that is consistent with the university standards of academic honesty. Any student who cheats on an assignment or exam will receive a grade of "F" for the course and may also be dismissed from the university.

General:

Every effort will be made to adhere to the information and schedule set forth in this syllabus. Any changes, which are necessitated as the semester progresses, will be announced on a timely basis. Regular attendance will ensure that you are aware of any modification made.

**Accounting 445
COURSE CALENDAR**

Week	Date	Topic	Problems
1	Aug. 26	Course introduction, policies, and resources. Ch. 1: An Introduction to Taxation and Understanding the Federal Tax Law.	None
2	Sep. 2	Ch. 2: Working with the Tax Law.	44, 48, 50
3	Sep. 9	Ch. 3: Tax Determination; Personal and Dependency Exemptions; An Overview of Property Transactions. To page: 3-32.	28, 29, 30, 33 36, 44, 46
4	Sep. 16	Ch. 4: Gross Income: Concepts and Inclusions. To page: 4-34.	26, 29, 30, 36 39, 45, 46, 53
5	Sep. 23	Ch. 5: Gross Income: Exclusions. To page: 5-25	29, 31, 32, 35 36, 37, 47
6	Sep. 30	First Exam (Chapters 1 – 5) (Time and Room TBA)	
7	Oct. 7	Ch. 6: Deductions and Losses: In General. To page 6-28. Ch. 7: Deductions and Losses: Certain Business Expenses and Losses. Pages: 7- 6 to 7-16.	Ch.6: 33, 36 41, 49, 51, 53 Ch.7: 36, 37
8	Oct. 14	Ch. 8: Depreciation Cost Recovery, Amortization, and Depletion. To page: 8-23	31, 34, 36, 44 49, 53, 54
9	Oct. 21	Ch. 10: Deductions and Losses: Certain Itemized Deductions. To page 10-32.	26, 34, 38, 40 41, 43, 45, 46
10	Oct. 28	Ch. 11: Investor Losses	34, 37, 40, 41 43, 47, 51, 54
11	Nov. 4	Second Exam (Chapters 6 – 8 and 10 ,11) (Time and Room TBA)	
12	Nov.11	Ch. 13: Tax Credits and Payment Procedures. Pages: 13-15 to 13-25. Ch. 14: Property Transactions: Determination of Gain or Loss and Bases Considerations. To page: 14-22.	Ch.13: 35, 37 42, 45 Ch.14: 30, 31 33, 44, 46, 47 49, 50
13	Nov. 18	Ch. 15: Property Transactions: Nontaxable Exchanges: To page: 15-22.	29, 30, 31, 34 35, 42, 45, 47
14	Nov. 25	Ch. 16: Property Transactions: Capital Gain and Losses. To page: 16-29	18, 19, 22, 26 29, 31, 34, 37
15	Dec. 2	Ch. 12: Alternative Minimum Tax. To page: 12-27.	31, 33, 38, 43 46, 47, 50, 55
		Final Exam (Date, Time and room: TBA)	

Best Wishes