

University of Illinois at Chicago
Department of Accounting
ACTG 445 – Federal Tax I
Fall 2009

Instructor Information

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Office Hour: 2:00 - 3:30 pm (Mon) & by appointment	Blackboard: ACTG 445FA09
Class Time & Location: Section A: 9:30 - 10:45 (T/R) SH 220 Section B: 11:00 - 12:15 (T/R) LC A6	

An Important Thought

“...what really is important is what you bring to a class in terms of being interested in the subject. If you view a course like accounting as a drudge and a requirement, you are missing the whole game. Any course can be exciting. Mastering accounting is like mastering a new language, it can be so much fun. The attitude should be one of discovery, that you are coming there and discovering accounting. It is the language of business. It is the Rosetta Stone for business.”

Warren Buffet—quoted in *Nebraska Business*, Fall, 2001.

Course Description

This first course in taxation is designed to introduce the student to the U.S. federal taxation 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. The introductory nature of this course necessarily entails a broader array of topics covered in less depth than that available in more advanced courses. 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 his 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.

Prerequisites

Students enrolled in this class must have completed ACTG 315 or its equivalent. An understanding of basic accounting, the time value of money, and other concepts taught in introductory accounting courses are essential to understanding the material presented in this class. In addition, the use of computer software, such as office applications, Web-browsers, and e-mail programs will be necessary to complete the course requirements.

Required Materials

- Hoffman, W.H., Smith, J.E., and Willis, E. *West Federal Taxation 2010: Individual Income Taxes, 33rd Edition*. Mason: Thomson South-Western. ISBN-13: 9780324828658
- A calculator capable of performing basic arithmetic and time value of money calculations.

Grading Elements

I have chosen grading elements to reflect both the student’s level of understanding using several assessment techniques and the student’s mastery of skills critical to the successful accounting professional.

Exam 1	250
Exam 2	250
Final Exam	300
One Tax Research Project	100
Two Tax Return Project	100

	Total of 1000 Points

Tax Research Projects Essential skills of tax professionals include the ability to research clients’ tax issues and draft written summaries of their conclusions. Each group will research tax cases and provide a written analysis.

Tax Returns Each group will complete an individual tax return using fill-in forms available at the IRS Web site, www.irs.gov. Each group will also submit a spreadsheet calculating taxable income and tax liability. Accounting professionals must be familiar with compliance requirements.

Midterm/Final These comprehensive tests will help reveal the student’s mastery of previously covered material using a variety of question types. Make-up exams will be given in "Family Emergency" case only, which is limited to death or catastrophic occurrence affecting the student's immediate family or closely-extended family.

Grading Scale The grading scale will provide feedback concerning the student’s mastery of the tax concepts and professional skills necessary to success in either more advanced tax classes or an accounting career.

Safe Harbor Scale Students may guarantee themselves the grade they desire by achieving the grade points indicated in the following list.

<u>Grade</u>	<u>Minimum Points Required</u>
A grades	900
B grades	800
C grades	700
D grades	600

Alternate Scale I may choose a less rigorous scale for all students, if such a scale better reflects the quality of work performed by the class.

Groups and Group Work

As indicated above, about 20% of the student's grade will be based on work performed in a group setting. Unlike many professional situations, students will be allowed to form their own groups within limits; however, like many professional situations, students will bear the consequences of that choice. Students are encouraged to consider a variety of factors when choosing group members, certainly not limited to the following: 1) diversity of perspectives, 2) common goals, 3) personality conflicts, 4) scheduling, 5) prior team history, and so on. If a group loses a member, the remaining work will fall to the other members. If a group is unhappy with the effort of a particular member, it can expel that member by unanimous vote of other members. The expelled member will be required to complete all work due after his or her expulsion alone. If problems achieving consensus on any issue occur within a group, please contact me as soon as possible.

Semester Schedule:

This course makes extensive use of Blackboard. All materials regarding the course may be found at UIC's Blackboard webpage located at <http://blackboard.uic.edu>. However, in order to provide you with an overview of the course, this syllabus contains a tentative schedule that presents an overview of how I think the semester will progress. During the semester, I will refine the schedule to more accurately reflect the pace of the course.

The readings and problems are arranged by class session. You should read each chapter in its entirety at least once. However, since each chapter contains more material than we can possibly hope to cover during the semester, I have indicated the material that I will emphasize in each chapter. It is this material that you should review in detail prior to an exam. The exams only cover material discussed in class. Any topic in a chapter, which was not discussed in class, will not appear on an exam. As to the problems assigned, I do not review or work these problems in class but I recommend that you work the problems on your own. The problems are not particularly complex. Solutions for the suggested problems are available on the class Blackboard site.

BlackBoard:

Most of the material for this course can be found on the Blackboard homepage under the '*Course Documents*' button. Here you will find files organized by the various chapters in the text. As the semester progresses, I will place PowerPoint presentations and solutions to the homework problems within each chapter.

Blackboard also contains a '*Discussion Board*' that can be used for communication with myself and other students in the class. In many cases the answers to questions you may have about the course will benefit other students, or another student may know the answer to your question. Therefore, I strongly encourage students to make use of the "*Discussion Board*" as a means of communicating with me and other students on matters concerning this course. A discussion board forum entitled "*Questions / Comments about Course Material*" has been established for this purpose.

Private communication with the instructor is appropriate in other situations (e.g., grades, illness, etc.). Students should rely on email or a personal conversation as the principal form of communication with the instructor in these situations.

Revisions

This syllabus may be revised at any time prior to the final exam by e-mail to the student's UIC e-mail address or by statements made in class.

TENTATIVE SCHEDULE
(last updated August 10, 2009)

Week	Date	Topic	Material Emphasized	Recommended Problems	Assignments Due
1	8/25 (Tue)	West: Ch. 1; An Introduction to Taxation and Understanding the Federal Tax Law	Pages 1–34	None	
1	8/27 (Thur)	West: Ch. 3; Tax Determination; Personal and Dependency Exemptions; An Overview of Property Transactions West: Ch. 13; Tax Credits and Payment Procedures	Ch. 3: 1 – 33 Ch.13: 15-16, 21-25	Ch. 3: 28, 30,33, 36, 44, 46 Ch. 13: 35, 37, 42,45	
2	9/1 (Tue)	West: Ch. 3, 13			
2	9/3 (Thur)	West: Ch. 2; Working with the Tax Law	Ch. 2: 1-37	44,48,49	
3	9/8 (Tue)	West: Ch. 2			
3	9/10 (Thur)	West: Ch. 4; Gross Income: Concepts and Inclusions	Ch. 4: 1-35	26, 29, 30,36, 39, 45, 46, 53,57	
4	9/15 (Tue)	West: Ch. 4			
4	9/17 (Thur)	West: Ch. 5; Gross Income: Exclusions	Ch. 5: 1-25,30,34	29, 32, 35, 36, 37, 47	
5	9/22 (Tue)	West: Ch. 5			
5	9/24 (Thur)	West: Ch. 14; Property Transactions: Determination of Gain or Loss and Basis Considerations	Ch. 14: 1-22	Ch. 14: 30, 31, 33, 44, 46, 47, 50	

6	9/29 (Tue)	Exam 1 (6:00 – 8:00 pm & Room TBA) CH 1, 3, 13, 2, 4, & 5			
6	10/1 (Thur)	West: Ch. 14			
7	10/6 (Tue)	West: Ch. 16; Property Transactions: Capital Gains and Losses	Ch. 16: 1- 15;19-30	Ch. 16:15,16 22, 26, 29, 30, 34	
7	10/8 (Thur)	West: Ch. 16			
8	10/13 (Tue)	West: Ch. 6; Deductions and Losses: In General	Ch. 6: 1-29	33, 36, 41, 49, 51, 53	Case #1
8	10/15 (Thur)	West: Ch. 6			
9	10/20 (Tue)	West: Ch. 7; Deductions and Losses: Certain Business Expenses and Losses	Ch. 7: 1-25	32,34,36, 37	
9	10/22 (Thur)	West: Ch. 7			
10	10/27 (Tue)	West: Ch. 10; Deductions and Losses: Certain Itemized Deductions	Ch. 10: 1-32	26,34,38, 40, 41, 43	Tax Return #1
10	10/29 (Thur)	West: Ch. 10			
11	11/3 (Tue)	Catch-Up			

11	11/5 (Thur)	Exam 2 (6:00 – 8:00 pm & Room TBA) Ch 14, 15, 6, 7 & 10			
12	11/10 (Tue)	West: Ch 8; Depreciation, Cost Recovery, Amortization, and Depletion	Ch. 8: 1-24	31,34,36,49,53,54	
12	11/12 (Thur)	West: Ch. 8			
13	11/17 (Tue)	West: Ch. 15; Property Transactions: Nontaxable Exchange	Ch. 15: 1-24	29,30, 34, 35, 42, 45, 47	
13	11/19 (Thur)	West: Ch. 15			Tax Return #2
14	11/24 (Tue)	West: Ch.11; Passive Activity Losses	Ch 11: 1-25	34,37,40,41,43,47,51,54	
14	11/26 (Thur)	Thanksgiving Holiday (No Class)			
15	12/1 (Tue)	West: Ch. 12; Alternative Minimum Tax	Ch. 12: 2-26	31,33,38,43,46,47, 50, 55	
15	12/3 (Thur)	Catch-Up			
		Final Exam (Room and Time TBA) Ch 8, 15, 11, 12			