

**ACCT 6613**  
**THE TAXATION OF CORPORATIONS**  
**AND THEIR SHAREHOLDERS**  
**Spring 2007**

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<b>Time:</b>	TR 4:30-5:45 PM	<b>Location</b>	212A Adams Hall
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***The corporate income tax is one of the best examples in American political history of the law of unintended consequences.***

John Steele Gordon, author and business historian

**Course Objectives:** This course is designed to provide an in-depth study of the federal income taxation of corporations and their shareholders. Specifically, we will examine the tax consequences associated with a corporation's formation, operations, distributions to shareholders, possible reorganization, and liquidation. Upon completion of this course students should be familiar with the rules, concepts, underlying policy concerns, and planning opportunities related to the more commonly encountered situations in corporate taxation. More importantly, through reading and analyzing existing authority, the course will develop the skills necessary to analyze new and/or novel situations and opportunities sure to be encountered in practice, and to keep up with the inevitable changes to the law given the dynamic nature of the legislative environment.

**Required Materials:**

S. Lind, S. Schwartz, D. Lathrope, and J. Rosenberg. *Fundamentals of Corporate Taxation* (Sixth Edition). The Foundation Press, Inc., 2005. [LSLR]

*Internal Revenue Code* [IRC] (June 2006 or later). Alternatively, you can access relevant IRC sections from CCH's on-line, web-based tax service, Tax Research NetWork, via the OU Library web page. However, only actual IRCs are allowed as reference materials during exams (see Exams below).

*Income Tax Regulations* [Regulations] (June 2006 or later). Again, you can alternatively download relevant sections from the internet.

**Assignments and Class Preparation:** Daily assignments (see schedule below) consist of readings and problems from LSLR as well as all IRC and Regulation sections referenced therein.

**Class format:** Classes will be primarily student driven, consisting of a combination of discussion and problem solving. Because our time is limited it is imperative that you be prepared for class meetings. I will assume all readings and problems have been done IN ADVANCE, and daily

activities will be structured accordingly. Classes will routinely be centered around students' briefings of cases presented in the text and discussions of answers to assigned problems. Participation, in the form of preparedness to present cases and/or problem solutions, will constitute approximately 10 percent of your overall grade. The success of this class depends not only on the instructor, but the student as well. Inadequate preparation by either will severely decrease the value of our time together.

**Examinations:** Two mid-terms and final examination will be given on the dates indicated on the attached schedule. The exams will be primarily problem oriented. You will be responsible for all material covered in class as well as readings, homework, and cases assigned to date. You are permitted to use hard copies of the IRC and Regulations, to be distributed by me, as well as a calculator, during exams. Reference to neither your LSLR text nor any other notes during exams is allowed.

Mid-term exams will be approximately two hours in length and will extend past the regularly-scheduled class time on the dates noted. If you have a *class* conflict with a scheduled exam, advance notice should be given during the first week of the semester. If you have Provost-approved university-sponsored event or legally required activity that conflicts with a scheduled exam, notice should be given within a reasonable time after the conflict arises. In any case, alternative arrangements for the exam will be made. Otherwise, NO make-up exams will be given.

**Project:** One project will be assigned during the semester. The project will be aimed at exploring firm-specific tax planning strategies and will require each student to report in detail an example of a transaction discussed in class. Project requirements will be discussed in detail in class.

**Grading:** Grades are necessary for both motivation and feedback. In this class, grades will be determined based on a cumulative score from the following:

<u>Item</u>	<u>Points</u>
Midterm Exam #1	150
Midterm Exam #2	150
Final Exam	150
Project	50
Participation	<u>50</u>
Total	<u>550</u>

**Administrative:** You must be officially registered in this course to attend class and/or to receive a grade. Prerequisites for ACCT 6613 include graduate standing and either completion of ACCT 4703 or 5703 or my permission. If there are any questions regarding eligibility for this course, they should be addressed immediately.

Academic misconduct is defined as any act which improperly affects the evaluation of a student's academic performance or achievement. It specifically includes cheating, plagiarism, fabrication, fraud, destruction of property, and bribery or intimidation, as well as assisting others or attempting to engage in such acts. It is the responsibility of each student to be familiar with the definitions, policies and procedures concerning academic misconduct; and unfamiliarity with the code alters

none of a student' rights or responsibilities thereunder. The Academic Misconduct Code is available with the Student Code on the Internet at <http://www.ou.edu/studentcode> .

The University of Oklahoma is committed to providing reasonable accommodation for all students with disabilities. Students with disabilities who require accommodations in this course are requested to speak with me as early in the semester as possible. Students with disabilities must be registered with the Office of Disability Services prior to receiving accommodations in this course. The Office of Disability Services is located in Goddard Health Center, Suite 166, phone 405/325-3852 or TDD only 405/325-4173.

Please note that food and drink are prohibited in the classrooms. The Price College of Business has invested significant resources in improving our classrooms. Please help us maintain them.

A restricted-access internet site (i.e., enrollment in class, OUNetID, and password required) is maintained for this class at <http://learn.ou.edu>. The site contains all of the information included in this syllabus. Any revisions made to the class schedule will be posted to the site as soon as they are available, and will supersede the information included in this syllabus. You may also use the site to check your grades, its e-mail capabilities to contact the instructor, and its chat area to raise questions with other students about homework, readings, lectures, etc. While you are not required to use the site, you will be held responsible for all material and course changes disseminated through it.

## TENTATIVE WEEKLY CLASS SCHEDULE

Class Dates	Topic	Readings <sup>1</sup>
1/17	Introduction and Overview	1A (pp. 1-13); 1B6 (pp. 33-43); WSJ article on the dividend-tax cut, on D2L.
1/18	Classifying and Defining the Entity	1B3, 4 (pp. 21-23; skip problem p. 23); 1C (pp. 43-50); 13A1,2 (pp. 625-629); (skim 3, pp. 629-635); 13B1, 2, 5 (pp. 635-638, 646, skip problem 2 on p. 646); IRC §§11(a)-(c), 448(d)(2)
1/23	Corporate Operations: Determining Taxable Income	1B1, 2, 5 (pp. 13-21; 24-33; problem, p. 23); 4F (pp. 186-193); Review 1A3 (pp. 10-13); IRC §6707A; §1.6011-4(a), (b)
1/25	Corporate Capital Structure	3 (pp. 125-157)
1/29	<i>LAST DAY TO DROP WITHOUT RECEIVING A GRADE OF "W."</i>	
1/30	The Accumulated Earnings Tax	14A, B (pp. 647-666)
2/1	The Personal Holding Company Tax	14C (pp. 666-680; skip problem 4 on p. 680)
2/6	Corporate Formations: General Principles	2A -C (pp. 58-81)
2/8	Corporate Formations: Liabilities and Boot	2D (pp. 81 -100)
2/13	Corporate Formations: Incorporation of Going Concerns	2E, F2 (pp. 100-116, 122-124)
2/15	Catch-up	
2/20	Non-Liquidating Distributions: General Principles	4A-D (pp. 158-179)
2/22	<b>***Midterm Exam #1***</b> <i>Material covered 1/16-2/15</i>	
2/23	<b>LAST DAY TO DROP WITH AN AUTOMATIC GRADE OF "W"</b>	

<sup>1</sup>Readings refer to chapters in LSLR including all IRC and Regulation sections referenced, and all problems contained, therein.

2/27	Non-Liquidating Distributions: Stock Distributions	6 (298-326; skip prob 2 p. 309, part (g) of prob 1 and prob 2, p. 326)
3/1	Stock Redemptions: General Rules and Attribution	5A, B, C3 (pp. 207-213, 235-248)
3/6	Stock Redemptions: Specifics	5C1, 2 (pp. 213-235), 5E, (pp. 253-258)
3/8	Stock Redemptions: Planning Techniques	5G (283-295); Problem 2, p. 309
3/13	Corporate Liquidations: General Principles	7A, B (pp. 327-345)
3/15	Corporate Liquidations: Special Rules	7C (pp.345-357); 5D (pp.248-252)

3/27 **\*\*\*Midterm Exam #2\*\*\***  
Material covered 2/20-3/15

3/29	Taxable Corporate Acquisitions: General Principles	8A-E (pp. 358-385; skip prob 2, p. 381)
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3/30 **LAST DAY TO DROP WITH A GRADE OF "W" OR "F."**

4/3	Acquisitive Reorganizations: Statutory Mergers	9A, B1 (pp. 422-446)
4/5	Acquisitive Reorganizations: Type B and C Reorganizations	9B2, 3 (pp. 446-471)
4/10	Acquisitive Reorganizations: Triangular Reorganizations	9B4, 5 (pp. 471-483)
4/12	Acquisitive Reorganizations: Treatment of Parties to Reorganizations	9C (pp. 483-497)
4/17	Acquisitive Reorganizations: Tax Attribute Carryovers	9D (pp. 497-507; skip prob 4, p. 507))
4/19	Acquisitive Reorganizations: Tax Attribute Carryovers	12A-C (pp. 604-619)
4/24	Corporate Divisions	10A-C (pp. 512-548)
4/26	Corporate Divisions	10D, E (pp. 548-568)
5/1	Projects due, Catch-up	
5/3	Review, Projects discussed	

**\*\*\*EXAM # 3\*\*\***  
**Material covered 3/29-5/3**  
**Thursday, 5/10**  
**4:30-6:30 PM**

