

THE PENNSYLVANIA STATE UNIVERSITY
Smeal College of Business Administration
Department of Accounting
ACCOUNTING 405
“Principles of Taxation” - Undergraduate
Fall 2008

INSTRUCTOR:

Michael Rosenberg

Classroom:

107 Business

Office:

317 Business

865-9444

mur24@psu.edu

OFFICE HOURS:

Tuesday 11:00 am – 12:00 noon

Wednesday 9:00 – 10:00 am (by appointment only)

Thursday 4:00 – 5:00 pm

REQUIRED TEXT: 2009 CCH Federal Taxation, Basic Principles

COURSE OBJECTIVE:

The primary purpose of this course is to introduce you to fundamental Federal income tax principles. While the course applies the current law, emphasis will be placed on general skills in identifying and resolving tax issues, understanding the administrative and public policy and reasoning underlying tax law choices and integrating the tax laws into business and personal decisions and planning. This course will be successful if students: (1) acquire an understanding of the basic Federal taxation principles, (2) are stimulated to evaluate how tax laws affect business and personal decisions, (3) internalize the basic taxation structure and develop basic competence and tax compliance, and (4) develop the desire and ability to critique public tax policy.

STUDENT RESPONSIBILITY:

Students will be responsible for: (1) attending lectures, (2) reading the assigned material in advance of class, (3) working and preparing any assigned homework questions and problems by the assigned due dates, (4) participating in classroom discussion as well as any special group assignments, (5) bringing to the attention of the class a recent current tax law development of interest as assigned, (6) bringing the required text to each class as an important reference tool, and (7) taking all examinations.

GRADING AND EXAMS:

3 Interim Exams:	
October 2 nd	15%
November 6 th	15%
December 4 th	15%
Comprehensive Final Examination (TBA)	35%
Class and Special Assignment Participation and Homework	20%

In determining a student's final class grade, the above weighted formula will be applied. By way of illustration, assume a student earns a 90 on the first exam, a 70 on the second exam, an 80 on the third exam, a 90 on the Comprehensive Final Exam, and an 80 in class and special assignment participation, and homework. Application of the above weighted formula will give the student a grade of 83.5, determined as follows:

$$90 \times 15\% = 13.5, + 70 \times 15\% = 10.5, + 80 \times 15\% = 12, + 90 \times 35\% = 31.5, + 80 \times 20\% = 16$$

for a total of $13.5 + 10.5 + 12 + 31.5 + 16 = 83.5$

An 83.5 in turn would be a B+ as I will use the following schedule for final course grading purposes:

90 or more	= A	73-76	= C+
87-89	= A-	70-72	= C
83-86	= B+	60-69	= D
80-82	= B	60 or less	= F
77-79	= B-		

Each student must understand that the grading system is structured so as to provide several ways to benefit one's final grade. If a student, for an unexcused reason, fails to take an exam or fails to participate in required assignments, the student will receive -0- points for that part of the weighted formula and such -0- will for certain have an adverse effect on his or her grade. Thus, each student should act accordingly.

All tests, class and special assignments, and homework must be returned in a timely manner for the student to receive credit. Special assignments and homework are due as assigned and if deadlines are not met, credit will not be given unless an extension has been approved by the Instructor in advance. Make-up Exams will be given only if the student can provide an excuse as specified by University Regulations supported by verifiable written documentation, and in connection with any such Make-Up Exams, it is necessary for you to contact me (or my voice mail) personally via the telephone on or before the day of an exam.

CLASS AND ASSIGNMENT SCHEDULE

THIS SCHEDULE WILL EVOLVE OVER THE SEMESTER
AND IS INTENDED AS A GUIDE

**[The course may include one or two brief guest lecturers
as scheduled by the Accounting Department on dates TBA]**

<u>DATE</u>	<u>CHAPTERS</u>	<u>TOPIC</u>	<u>ASSIGNED QUESTIONS (Q), PROBLEMS (P), OR HANDOUTS</u>
I. Introduction			
08/26 T	1	A Review of the Syllabus and Course Expectations	
	(When reviewing pages 1-11 through 1-23, merely skim those pages, but do learn the Legislative Process on Exhibit 1, page 1-19)	Followed By an Introduction to Federal Taxation & Understanding the Federal Tax Law	Q: 6, 7, 9, 12, 14 P: 20, 28, 29
08/28 Th	2	Tax Research, Practice and Procedure	Q: 8, 14, 16, 18, 24, 25, 28, 35, 37 P: 43, 47, 49, 52, 53, 54, 56, 57, 61
09/02 T	3	Individual Taxation – An Overview	Q: 6, 12, 14, 21, 27, 29
09/04 Th	3	Individual Taxation – An Overview -Continued-	P: 34, 36, 45, 48, 51, 54, 61
II. Income			
09/09 T	4	Gross Income	Q: 2, 6 P: 21, 22, 27, 28, 33, 40, 50
09/11 Th	5	Gross Income – Exclusions	P: 22, 23, 31, 37, 38, 39, 40
09/16 T	5	Gross Income – Exclusions -Continued-	P: 49

III. Deductions

09/18 Th	6	General Concepts & Trade or Business Deductions	Q: 3, 5, 10 P: 24, 25, 32, 33
09/23 T	6	General Concepts & Trade or Business Deductions Business vs. Personal	P: 30, 45, 46, 50a.
09/25 Th	6	General Concepts & Trade or Business Deductions - Depreciation	P: 37, 38, 40, 41, 42
09/30 T	-NO CLASS -	INSTRUCTOR OBSERVES ROSH HASHANAH	Review Course Material to Date
10/02 Th	EXAM 1	An optional class will be held during the regularly scheduled class time for review purposes and all students are encouraged to attend.	
		Exam 1 will be given at the Testing Center from 6:00-8:00 PM with the exception of approved conflicts.	
10/07 T	7	Deductions: Business/Investment Losses and Passive Activity Losses	P: 31, 32, 48, 50, 51, 52
10/09 Th	Guest Lecturer	Choice of Entity – Presented by: Sam Starr, Tax Partner PriceWaterhouseCoopers	Review Course Material to Date
10/14 T	8	Deductions: Itemized Deductions	P: 26, 28, 29, 31, 32, 34, 35
10/16 Th	8	Deductions: Itemized Deductions -Continued-	P: 42, 46, 51, 52
10/21 T	9	Tax Credits, Prepayments, and Alternative Minimum Tax	P: 40(a), (b), 42, 45, 46, 47, 48

IV. Property Transactions

10/23 Th	10	Property Transactions: Determination of Basis and Gains and Losses	P: 21, 22, 25, 26, 28, 31, 34
10/28 T	11	Property Transactions: Non-recognition of Gains and Losses	P: 23, 28, 29, 42
10/30 Th	11	Property Transactions: Non-recognition of Gains and Losses - Continued -	P: 51
11/04 T	12	Property Transactions: Treatment of Capital and Section 1231 Assets	P: 30, 34, 36, 38, 50, 51, 56, 58
11/06 Th	EXAM 2	An optional class will be held during the regularly scheduled class time for review purposes and all students are encouraged to attend.	
		Exam 2 will be given at the Testing Center from 6:00-8:00 PM with the exception of approved conflicts.	

11/11 T	13	Tax Accounting	P: 39, 50
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V. Miscellaneous Tax Matters

11/13 Th	15	Tax Planning for Individuals	Tax Planning Illustrations Will Have Been Incorporated Into The Lectures Covering Prior Chapters
11/18 T	16	Partnerships, Corporations, and S Corporations	A Homework Question May be Assigned in Class
11/20 Th	16	Partnerships, Corporations, and S Corporations - Continued -	A Homework Question May be Assigned in Class
11/25 & 27	THANKSGIVING HOLIDAY	NO SCHOOL entire week of November 24 th through November 28 th	

12/02 T	14	Deferred Compensation and Education Savings Plans	A Homework Question May be Assigned in Class
12/04 Th	EXAM 3	An optional class will be held during the regularly scheduled class time for review purposes and all students are encouraged to attend.	
		Exam 3 will be given at the Testing Center from 6:00-8:00 PM with the exception of approved conflicts.	
12/09 T	17	Federal Estate Tax, Federal Gift Tax, and Generation-Skipping Transfer Tax	Handout – A Sample of a Practitioner’s Estate Planning Suggestions or Menu Letter
12/11 Th	N/A	An International Tax Overview	Handout – An Inbound U.S. Taxation Flowchart of Key Provisions

FINAL EXAM – WEEK OF DEC. 15-19
The FINAL EXAM will be comprehensive and the schedule will be announced as soon as it is available

Penn State University Policy Statements
Concerning Students taking Courses

Academic Integrity: According to the Penn State Principles and University Code of Conduct:

Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. According to the University’s Code of Conduct, you must neither engage in nor tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used in another course without informing the instructor, or tampering with the academic work of other students.

Any violation of academic integrity will be investigated, and where warranted, punitive action will be taken. For every incident when a penalty of any kind is assessed, a report must be filed, using the pdf form at this URL: <https://intranet.smeal.psu.edu/smeal/integrity/index.html>. This form is used for both undergraduate and graduate courses. This report must be signed by both the instructor and the student, and then submitted to the Associate Dean for Undergraduate Programs in 202 Business Building.

Smeal Honor Code: We, the Smeal College of Business Community, aspire to the highest ethical standards and will hold each other accountable to them. We will not engage in any action that is improper or that creates the appearance of impropriety in our academic lives, and we intend to hold to this standard in our future careers.

Affirmative Action & Sexual Harassment: The Pennsylvania State University is committed to a policy where all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of

age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status. Direct all inquiries to the Affirmative Action Office, 328 Boucke Building.

Americans with Disabilities Act: The Smeal College of Business Administration welcomes persons with disabilities to all of its classes, programs, and events. If you need accommodations, or have questions about access to buildings where Smeal College activities are held, please contact us in advance of your participation or visit. If you need assistance during a class, program, or event, please contact the member of our staff or faculty in charge. Access to ACCTG courses should be arranged by contacting the Department of Accounting Office: (814) 865-0041.

An Invitation to Students with Learning Disabilities: It is Penn State's policy to not discriminate against qualified students with documented disabilities in its educational programs. If you have a disability-related need for modifications in your testing or learning situation, your instructor should be notified during the first week of classes so that your needs can be accommodated. You will be asked to present documentation from the Office of Disability Services (located in 116 Boucke Building; (814) 863-1807) that describes the nature of your disability and the recommended remedy. You may refer to the Nondiscrimination Policy in the *Student Guide to University Policies and Rules*.

Registration: The student registration process at Penn State is a two-step process. First students register for courses. Second, students complete their registration by payment of applicable tuition and fees. Students who have not completed their registration are clearly indicated on all forms of the class list, by the message "*Registration Not Complete.*" Faculty are not obligated to provide instruction or administer assessment to these students. If you are in this status you should contact the Registrar's office immediately.