

ACCOUNTING 5330

Summer II 2013

Instructor: Bob Widmer
Office: 513 West Oak. St.
Denton, TX 76201
Hours: Saturday 10a.m. – 12p.m by appointment and such other
times as mutually agreed upon.
Telephone: 940-368-2824 (Cell –but use judiciously)
E-mail: bob@widmer-law.com (only way to *timely* reach me)
Classroom: BLB 245
Mon. /Wed.: 6:00-9:50pm

Text/Materials

1. Federal Income Taxation of Corporations and Shareholders, 7th Edition by Boris I. Bittker & James S. Eustice, Student Edition –Thomas Reuters [B&E]-**Required**.
2013 Cumulative Supplement to Student Edition- **Required**.
2. Internal Revenue Code (“Code”) and Internal Revenue Regulations (“Regs”)-**Optional**. You may purchase the Code and Regs or simply print off the applicable sections and bring them to class.

Objectives:

1. Expose each student to choice of entity planning, tax issues involved in the formation, operation and liquidation of a corporation and corporate tax planning. Ensure that each student understands the differences between a “C” and “S” Corporation. Briefly introduce corporate reorganizations. Ensure that each student develops an understanding of how the IRS works.
2. Complete a Federal Corporate Tax Return.
3. Emphasize the importance of the Internal Revenue Code and Regulations in corporate tax planning (existing laws as well as proposed legislative actions).
4. Discuss the effect that current events will have on corporate tax planning.
5. Emphasize the importance of clear and careful thinking when confronted with complex tax issues.

Class Procedures:

Each assignment will include readings, lecture outlines, and/or cases or problems. During each class meeting, **you will be expected to participate.**

Grading:

Your semester grade will be based on the following:

Class participation (including Assignments and Pop Quiz’s)	33.3%
Corporate Tax Return	33.3%
Final exam (comprehensive)	33.3%
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Total	100%

The final exam will be a three-hour essay and problem exam. It will be comprehensive and open book. Exams will be picked up at the end of three (3) hours or, if no one has finished at the end of three (3) hours, then at the end of ten (10) minutes after the first exam is turned in. No Computers, iPads, etc.

Rules:

1. No Phones, iPods, texting, computer games, etc.
2. No food, unless I bring it (Drinks are Ok.)
3. During class, you are expected to be courteous and respectful toward me and your classmates.
4. Timely attendance, preparation and participation are expected.

5. This will be a huge class! Everyone must cooperate toward making this a successful learning experience for everyone.

Abbreviations

1. B&E- Bittker & Eustice Text
2. Code- Internal Revenue Code
3. Regs- Internal Revenue Regulations

Lesson 1- Understanding the Rules of Engagement

a. Readings: (bring all of the materials to class)

1. IRS Pub 1
2. IRS Pub 3498
3. IRS Pub 556
4. IRS Audit Techniques Guide
5. IRS Examination Process
(Large Business and International Division Exam Process)-Located in the Internal Revenue Manual.
6. IRS Form 2848 (and instructions) bring form to class
7. Treasury Inspector General for Tax Administration Report, dated May 14, 2013. Reference No. 2013-10-053-
bring to class
8. Code: §§, 5000A, 6501, 6502, 6503, 6511, 7213, 7431

b. Assignment- 1 page (total) paper on the statute of limitations for an audit and the purpose of a 90 day letter.

c. There will be a short quiz at the start of class.

d. Pick your study group before class and sit with them. Study Group size=3 students! I will do a seating chart during the 1st class.

Lesson 2- Understanding the Corporation - Part 1

a. Readings:

1. B & E : ¶ 1.01, 1.05, 2.01, 2.02, 2.05, 2.06, 2.07, 2.10
2. Code: §§ 11(a); 7701(a)(1), (2),(3),(14); 7704(a),(b)
3. Regs: §§ 301.7701-1, -2(a), -2(c), -3(a), -3(b)(1)
4. IRS Form 8832 (and Instructions)-bring form to class

5. Form 1120, Schedule M3 (and Instructions)-bring to class

b. Assignment- 1 page paper on what a Personal Holding Company is and how to avoid it.

Lesson 3- Understanding the Corporation- Part 2

a. Readings:

1. B & E: ¶ 1.02, 1.03, 1.04, 1.07, 5.01-5.03 [1-4], 5.01, 5.02, 5.03, 5.04[2], 5.05[1], 5.06[1], 5.07, 5.08[1][2], 5.09, 6.01, 6.02, 6.03, 6.04, 6.06, 6.08, 6.11, 7.01, Table 6-1.
2. Code: §§ 1(a)-(e); 1(h); 11; 162(a)(i); 243; 248; 701; 702; 1201(a); 1244; 1361(a); 1361(b)1-2; 1363(a),(b); 1366(a), (b), (d)(i); 1367(a); 1371(a)
3. IRS Form 2553 (and Instructions)-Bring Form to class
4. Revenue Ruling 74-44

b. Assignment: 1 page paper on a Personal Service Corporation.

Lesson 4- Organization of the Corporation- Part 1

a. Readings:

1. B&E ¶ 3.01-3.03; 3.07-3.09; 3.12[1-5]; 3.15[1]; 5.06[1]; 5.07
2. Code: §§ 83(a), 83(h), 317(a), 351, 368(c), 1001, 1012, 1031(a)(2), 1032
3. Regs: 1.61-6; 1.351-1,2,3; 1.1001-1(a); 1.1002-1; 1.1032-1; 1.1361-1(l)(i)
4. Corporate Tax Return Problem handed out.

b. Assignment: 1 page paper on Code §721(b).

Lesson 5- Organization of the Corporation- Part 2

a. Readings:

1. B&E: ¶ 3.04, 3.05, 3.06, 3.10 [1-4], 3.11 [1-6], 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 8.05[7]
2. Code: §§118, 267(a), 351, 357, 358, 362, 1012, 1016(a), 1222(3), 1223(1-2), 1221(a)(i)
3. Regs: §1.351-1, 1.351-2, 1.351-3, 1.357-1, 1.357-2, 1.357-3, 1.358-1, 1.362-1
4. Revenue Ruling 84-111

b. Assignment: 1 page paper on Code §1244.

Lesson 6- Dividend and Other Non-Liquidating Distributions

a. Readings:

1. B&E: ¶ 8.02, 8.03, 8.04, 8.05, 8.06, 8.20, 8.21, 8.22
2. Code: §§ 301, 311, 312, 316, 317, 318

b. Assignment: Checklist for calculating “earning & profits” (Group).

Lesson 7- Stock Redemptions

a. Readings:

1. B&E: ¶ 9.01, 9.02, 9.03, 9.04, 9.05, 9.06, 9.08, 9.20, 9.21, 9.22, 9.24,
2. Code §§ 302, 318, 1411
3. Regs: §§ 1.302-1, 1.302-2, 1.302-3, 1.302-4, 1.318-1, 1.318-2, 1.318-4
4. Zenz vs. Quinlivan, 213 Fed 914 (6th Cin. 1954).

b. Assignment: Form 1120 due!

Lesson 8-Complete Liquidations and Sale of Assets in Bulk

a. Readings:

1. B&E: ¶ 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.20, 10.21[1], 10.40, 10.42[1]
2. Code: §§ 331, 332(a), 334(a), 334(b), 336(a), 337(a), 338(a), 338(b), 453, 453A, 453B, 1060
3. Martin Ice Cream Company vs. Commissioner, 110 T.C. No. 18
4. IRS Form 8954 (and Instructions)-bring to class

b. Assignment: 1 page paper on Code §1411.

Lesson 9- Corporate Reorganizations (An Introduction)

a. Readings:

1. B&E: ¶ 12.01, 12.02, 12.03, 12.04, 12.20, 12.21, 12.22[I], 12.23[1], 12.24[1], 12.26[1], 12.28[1], 12.42[1(a)], 12.42, 12.43(1[a]), 12.44[1(a)], 12.60

2. Code: §§368(a)(1) A, B, C, D, E, 1032, 358, 361, 362

b. Assignment: 1 page paper on the Accumulated Earnings Tax and how to avoid it.

Lesson 10

FINAL EXAM- 3 hour minimum. Open book/notes. No computers/iPads.

Note: Classes may be cancelled due to my schedule

Academic Dishonesty Statement:

Academic dishonesty (cheating) is absolutely inconsistent with professionalism. Students, enrolled in this course who engage in academic dishonesty will receive a failing grade. Their behavior will be reported to the Dean of Students for appropriate disciplinary actions.

Mission Statement:

The mission of the professional programs in accounting at the University of North Texas is to prepare a diverse student body for careers in industry, public accounting, and the nonprofit sector, primarily in the North Texas region.

ADA REQUIREMENTS

THE COLLEGE OF BUSINESS ADMINISTRATION COMPLIES WITH THE AMERICANS WITH DISABILITIES ACT IN MAKING REASONABLE ACCOMODATION FOR QUALIFIED STUDENTS WITH DISABILITY.

IF YOU HAVE AN ESTABLISHED DISABILITY AS DEFINED IN THE AMERICANS WITH DISABILITIES ACT AND WOULD LIKE TO REQUEST ACCOMODATION, PLEASE SEE ME AS SOON AS POSSIBLE. MY OFFICE HOURS AND OFFICE NUMBER ARE SHOWN ON THIS SYLLABUS.

COURSE PREREQUISITES: ACCOUNTING 5310 AND ACCOUNTING 5110

The Department of Accounting Student Advisory Board was created to allow accounting majors to have input into to processes of the Department. The Student Advisory Board interacts with the Accounting Advisory Board and is comprised of accounting majors from the undergraduate, masters, and doctoral programs. In October and April of each academic year, the Accounting Advisory Board meets and reserves a time period on their agenda for students to express issues and concerns about the Department. For more information on the Student Advisory Board, see the Department of Accounting Bulletin Board and visit our website at www.coba.unt.edu/acct/ where you will find the e-mail addresses of each member of the Board. If you have any questions or concerns about the Department, please contact us. We look forward to hearing from you.