Number of Credits: 5
Instructor: Jason Janus
Location: Pigott 202
Phone: (425) 478 – 6492
Time: MW 3:40 – 5:45
Email: janusja@seattleu.edu
First Class: January 5, 2015
Office: Pigott 507
Final Class: March 18, 2015
Office Hours: MW 2:00 – 3:30 or by appointment

Learning Outcomes:

The purpose of this course is to introduce the business student to a broad range of tax concepts and types of taxpayers. By the end of the course students should:

1. Understand the development and rationale of the current Federal income tax system;
2. Comprehend the many ways in which the U.S. income tax laws influence both business and personal behavior;
3. Develop a tax intuition that will permit them to make a well-founded guess concerning the most likely income tax consequence of any business transaction;
4. Be able to locate pertinent authority to resolve actual disputes concerning the correct income tax treatment of any transaction.
5. Understand the “mechanics” of the U.S. Federal income tax return.

"If you know the position a person takes on taxes, you can tell their whole philosophy. The tax code, once you get to know it, embodies all the essence of life: greed, politics, goodness, charity. Everything’s in there. That’s why it’s so hard to get a simplified tax code. Life just isn’t simple."

--Former IRS Commissioner Sheldon Cohen

Textbooks:

ACCT 3360 – FEDERAL INCOME TAX 1

WINTER 2015

Grading:

Midterm No. 1 20%
Midterm No. 2 20%
Final Exam 30%
Tax Research 10%
Tax Return 10%
Class Participation (includes attendance, in-class exercises, homework, etc.) 10%

100%

The key to success in this course is your preparation. The coverage of each chapter will begin with a prepared lecture. Problems covering that material will be performed in class and occasionally assigned as homework (a factor in your Class Participation). If assigned as homework, answers should be prepared for the next class. You should check your answers before that next class. Ask about what you do not understand. Solutions to all problems will be posted on Canvas for your reference; you are responsible for all material assigned.

There are no make-up exams. If any exam is missed (for a reason approved by me), the final will be weighted more accordingly. For example, if you miss Exam 2, the final will be worth 50%. If you do not take one of the midterms because you do not feel prepared, you will receive a 0 for that exam and the final will be worth only 30% of your grade. No makeup exam for the final will be given unless the student has received advance permission.

The research problems have a dual purpose. Tax experts are experts because they know when further research is necessary and they know where to look for an answer. This problem requires the student to learn when and where to research tax issues. The preparation of a written communication to a client will facilitate such development.

Tardiness can be disruptive to the class. Therefore, please do not come to class late. If you are late, wait until the break to come in the classroom. I will penalize your grade for the class if you do come in late.

Academic Honesty and Policy:

Academic integrity is expected in this class. Academic integrity means that you are expected to approach all assignments within the letter and the spirit of the class rules.

These rules exist to maximize the learning experience for all students, preserve the integrity of the class, and to help you practice the high level of integrity expected from business professionals. If you have any doubt about whether anything related to this class meets the standards of integrity, you are expected to disclose the particulars of the situation fully to me.

Academic dishonesty, as defined by university policy, will not be tolerated in any form. Activities that constitute academic dishonesty in this course include: (1) consulting those who have already taken ACCT 536/336 about assignments before they are due; (2) working with non-team members on team assignments; and (3) handing in paper assignments that were copy-edited for you by a person other than your ACCT 536/336 team member; (4) downloading solutions manuals from the Internet, (5) sharing your work from this class with students who are taking this class in a different quarter. If you
observe instances of dishonesty, please report them to me immediately. University procedures will be used to investigate reported instances of dishonesty.

Seattle University is committed to the principle that academic honesty and integrity are important values in the educational process. Academic dishonesty in any form is a serious offense against the academic community. Acts of academic dishonesty will be addressed according to the Seattle University Academic Honesty Policy.

If you are not sure whether a particular action is acceptable according to the Academic Honesty Policy, you should check with your instructor before engaging in it.

The Academic Integrity Tutorial can be found at https://www.seattleu.edu/academicintegrity/.

Please be sure that you understand the following university academic policies on the Registrar’s website https://www.seattleu.edu/registrar/academics/performance/:

- Academic Integrity Policy
- Academic Grading Grievance Policy

**Support for Students With Disabilities:**

If you have, or think you may have, a disability (including an ‘invisible disability’ such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff in the Learning Center, Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process.

**Laptop, Tablet and Smart Phone Policy:**

The use of laptops or tablets in class to take class-notes, view powerpoints or work on class projects is allowed and encouraged. However, please do not use these devices in class for any other non-class related activity (including instant messaging, web-browsing, etc.) unless specifically permitted by the instructor.

So that we can all stay focused and get the most from our time in class, all smart phones – including my own – must be turned off except by prior agreement. (For instance, if you’re the primary caregiver for someone, a relative or close friend of someone who’s critically ill in hospital, or an expectant birth partner, please let me know so that we can make a suitable arrangement.)
Planned Class Schedule:

Note, the class schedule below is subject to change based upon our progress through the materials and unforeseen circumstances such as snow days, etc.

Section I: Conceptual Foundations of the Tax Law, Gross Income & Tax Research

Students should have some knowledge of the history of U.S. taxation. They should be able to discuss the criteria of taxation and their applicability to tax policy decisions. They should be able to discuss what influences legislation of tax laws besides the raising of revenues. The legislative, administrative, and judicial sources of tax rules will also be emphasized.

The student should have an understanding of the all inclusive concept of gross income and the underlying realization requirement. He or she should be able to describe the cash and accrual methods of tax accounting for gross income. The student should be able to explain the principles applied to determine who is subject to tax on a particular item of income.

The student should be able to explain the statutory authority required for the allowance of exclusions from income. He or she should be able to analyze the sections of the Code that permit exclusions. The treatment, by both employers and employees, of fringe benefits will be emphasized.

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 5, 2015</td>
<td>Chapter 1 – Federal Income Taxation – An Overview</td>
</tr>
<tr>
<td>January 7, 2014</td>
<td>Chapter 2 – Income Tax Concepts</td>
</tr>
<tr>
<td>January 12, 2015</td>
<td>Chapter 3 – Income Sources</td>
</tr>
<tr>
<td>January 14, 2015</td>
<td>Chapter 3 (cont’d) &amp; Chapter 4 – Income Exclusions</td>
</tr>
<tr>
<td>January 19, 2015</td>
<td>NO CLASS</td>
</tr>
<tr>
<td>January 21, 2015</td>
<td>Chapter 4 (cont’d) &amp; Chapter 16 – Tax Research</td>
</tr>
<tr>
<td>January 26, 2015</td>
<td>Chapter 16 &amp; Midterm No. 1 Review</td>
</tr>
<tr>
<td>January 28, 2015</td>
<td>Midterm No. 1</td>
</tr>
</tbody>
</table>

Section 2: Deductions

The student must be able to explain the importance, as well as classify the deductions for and from adjusted gross income. He or she should be able to define the meaning of "ordinary", "necessary", and "reasonable" in relation to deductible business expenses.

The student should be able to discuss the factors that determine self-employed versus employee status, as well as various types of business expenses incurred by both, including travel, transportation, and reimbursed expenses.

The student should be able to show an understanding of the standard deduction and other components of the tax formula for individuals. He or she should be able to apply the rules for determining dependency exemptions and filing status.

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2, 2015</td>
<td>Chapter 5 – Introduction to Business Expenses</td>
</tr>
<tr>
<td>February 4, 2015</td>
<td>Chapter 5 (cont’d) &amp; Chapter 6 – Business Expenses</td>
</tr>
<tr>
<td>February 9, 2015</td>
<td>Chapter 6 Business Expenses</td>
</tr>
<tr>
<td>February 11, 2015</td>
<td>Chapter 7 – Losses–Deductions and Limitations &amp; Chapter 8 – Taxation of Individuals</td>
</tr>
</tbody>
</table>
February 16, 2015  NO CLASS
February 18, 2015  Chapter 8 (cont’d) & Midterm No. 2 Review
February 23, 2015  Midterm No. 2

Section 3: Property Transactions & Income Tax Entities

The student should understand the tax accounting for depreciation of assets. The student should be able to define and calculate realized gain or loss. He or she should be able to define a capital asset and explain the importance of the characterization issue.

The student should have an understanding of the different forms of doing business.

February 25, 2015  Chapter 9 – Acquisitions of Property
March 2, 2015  Chapter 10 – Cost Recovery on Property: Depreciation, Depletion, and Amortization
March 4, 2015  Chapter 11 – Property Dispositions & Chaper 12 – Nonrecognition Transactions
March 9, 2015  Chapter 13 – Choice of Business Entity–General Tax and Nontax Factors/Formation
March 11, 2015  Chapter 13 (cont’d) & Chapter 14 – Operations and Distributions
March 16, 2015  Chapter 14 (cont’d) & Final Exam Review
March 18, 2015  Final Exam

Assignments:

The class will require the completion of three assignments in addition to the exams and class participation. The description as well as the assignment and due dates for these assignments are included in the schedule below:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2 participants per team)</td>
<td></td>
</tr>
<tr>
<td>Tax Research Project No. 2 – Individual Assignment</td>
<td>February 2, 2015</td>
</tr>
</tbody>
</table>