ACCO 6511  
TAXATION OF CORPORATIONS AND PARTNERSHIPS  
SPRING 2016

Professor: Dr. James P. Trebby  
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From 12 Noon on Thursdays until 9:00 AM on Mondays, I ask that you send all email messages to both email addresses listed above. This will increase the speed with which I respond to you, however, do not expect anything near immediate response on the weekends. Do not be hesitant to contact me by phone at home or by email. There is no such thing as a "stupid" question in any of my classes. If I am not home when you call, please leave a message with my wife or on the answering machine. I will return your call as soon as possible.

I will communicate with you by email and D2L. Please check your email and D2L frequently. All email and D2L communication from me will be sent to your emarq address (firstname.lastname@mu.edu). If you use an alternative email address, you should set a forwarding message accordingly.

Office Hours: Wednesdays 11AM-1PM and by appointment. Room 320.


Prerequisite: ACCO 3001 (I strongly recommend that you take ACCO 4010 prior to taking this course).

Department of Accounting Mission Statement:

The mission of the Department of Accounting in the College of Business is to prepare students to be responsible, competent, and ethical leaders in accounting, business, government, and not-for-profit careers. Marquette’s undergraduate degree in Accounting builds upon the liberal arts requirement by emphasizing oral and written communication skills, ethical behavior, analytical reasoning, computer competency, and technical accounting knowledge sufficient for attaining a relevant accounting position. The Master of Science in Accounting (MSA) degree focuses on: (1) enhancing the student’s knowledge in finance, management, and specific accounting areas, (2) preparing the student for the CPA examination, and (3) qualifying students for positions in public or corporate accounting. We emphasize leadership and service through the internship program and the activities of our student chapter of Beta Alpha Psi. Students can meet the 150-hour requirements for certification either through the MSA, the undergraduate degree (with 150 hours of credit), or the Master of Business Administration (MBA) (including courses needed to qualify to sit for the CPA examination).
College of Business Administration Mission Statement:

The fundamental mission of the College of Business Administration is to provide a quality education grounded in Catholic, Jesuit intellectual values. Students are expected to learn how to function effectively in a diverse and global economy so that they may develop into ethical and socially responsible global leaders and responsible members of their organizations and communities. As one of many methods of assuring that the goals of our educational mission are successfully met, the college regularly and systematically engages in the assessment of these competencies.

Students in the Bachelor of Science in Business Administration Program are assessed on their ability to reason ethically, communicate effectively, analyze critically, and understand local, national and global business and cultural issues. Students in our MBA programs are also assessed on their competencies to communicate effectively, reason ethically and apply critical thinking, as well as their capacity to comprehend the global strategic issues of firms and perform fundamental activities of business managers. Students in our other graduate programs are assessed on specific competencies related to their disciplines.

Assessment takes place each semester in all programs and settings using quantifiable measures; that information is gathered and analyzed to help continuously improve the educational process. The College of Business Administration is dedicated to successfully providing a quality education for all students. Assessment is the continuous improvement process of evaluating our success. More information on assessment can be found at (http://www.marquette.edu/assessment) or in the assurance tabs under (http://business.marquette.edu/academics/assurance-of-learning-undergrad) or under (http://business.marquette.edu/academics/assurance-of-learning-graduate).

The college’s UNDERGRADUATE learning goals are:
1. Demonstrate effective communication skills to business situations.
2. Analyze the global business environment.
3. Analyze the domestic business environment.
4. Demonstrate critical thinking skills to business situations.
5. Demonstrate an ethical understanding and perspective to business situations.

Course Goals/Objectives – The successful student will:

1. Learn the applicable laws regarding the federal income taxation of corporations and partnerships.
   Relates to College and MSA goals: Apply the professional knowledge and skills of taxation.

2. Comprehend how tax laws influence personal and business behavior.
   Relates to College and MSA goals: Apply the professional knowledge and skills of taxation and related objectives. Use critical thinking skills in both tax compliance and tax planning.

3. Develop the ability to prepare federal income tax returns for corporations and information returns for partnerships.
   Relates to College and MSA goals: Apply the professional skills of taxation and related objectives.
4. Demonstrate effective oral and written communication skills through classroom and research activities.

   Relates to the College and MSA goals: Apply effective oral and written communication skills to business situations.

5. In addition, this course also prepares you for the CPA examination questions in corporation and partnership taxation.

   Relates to College and MSA goals: Apply the professional knowledge and skills of taxation and related objectives.

Achievement of Course Objectives:

The following activities will be used to accomplish course objectives:

1. Class lectures.
2. A well-written textbook with supplements provided by me when the tax law changes or when new tax laws are enacted.
3. Homework assignments and their discussion in class which provides the student the opportunity to communicate

Course Structure:

This course is divided into three sections, with an examination following each section. The first section covers an introduction to the taxation of corporations, organization and capital structure of corporations, and corporate distributions. Section two examines corporate redemptions, liquidations, and reorganizations. Section three covers the taxation of partnerships and S corporations. The ethical responsibilities of a tax professional are integrated throughout the course.

Homework:

Written homework assignments are due for each class. The specific problem assignments are indicated on the syllabus. I expect you to come to each class fully prepared to present your solution to each assigned problem and to discuss solutions presented by other class members. Your active participation in classroom discussions is essential in order to obtain maximum benefit from each class.

I ask that you first attempt to work the assigned problems before class in pencil and then make corrections during class as we discuss the problems in ink or in red pencil. The purpose of the ink or red pencil corrections is to highlight your errors so that you do not repeat them.

I strongly advise you to study the chapter material several times before attempting the homework problems. Try to work the problems without referring to the text. Whatever you can do correctly without looking in the text is an indication of what you have learned, and this also simulates examination conditions when you will not have a book to refer to and are under a time constraint. Anyone can work the problems with the book open, but this is not effective learning.

The homework problems may be collected at the end of each class and will be returned at the beginning of the following class with a grade of S (Satisfactory) or a grade of U (Unsatisfactory). The final grade of any student who accumulates three or more U grades will be lowered by one letter. No late work is
accepted. Homework problems may be done on any “8-1/2 x 11” paper except for paper torn out of a spiral notebook. Work that is not neatly prepared will not be accepted. Do not submit any work to me that you would not submit on your job. Please staple or use a paper clip if your homework exceeds one page. Also, please write your row number next to your name on the front page of your homework.

**Attendance:**

When an Undergraduate student has more than four absences (two weeks of class) he or she will be dropped without warning, earning a grade of WA. When a Graduate Student or an Undergraduate student taking this class for potential graduate credit has more than two absences (one week of class) he or she will be dropped without warning, earning a grade of WA. With few exceptions, the College does not distinguish between excused and unexcused absences. These exceptions are: a. Absences resulting from legal obligations (such as jury duty); b. Absences resulting from university sanctioned activities and related travel.

Students assume all consequences that ensue as a result of receiving a WA grade. These consequences include, but are not limited to: a delay in graduation, loss of eligibility for certain scholarships or financial aid, loss of full-time student status. After the WA grade has been issued, the student may not apply for a grade of W.

The Marquette University Student Health Service does not provide documentation of illness, or a visit to the Student Health Service. Likewise, college and other university offices (e.g., Office of the Dean, Counseling Center and Student Affairs) do not provide documentation of an absence on behalf of a student. When an extended absence of a week or more is expected or occurs, the student, or a family member if the student is unable, should communicate with the college office as soon as possible, after which the college office may notify faculty and others, as appropriate.

Regardless of the reason for the absence, students are responsible for learning what happened in class. Students who anticipate missing one or more class periods should contact me ahead of time. If you know that you are going to be absent before a class (e.g., illness family emergency, car trouble), please notify me prior to the class if possible. If you cannot do so PRIOR to the class, please inform me AFTER the class as soon as possible. As a courtesy, if you know that you will be arriving late for a class or have to leave prior to the end of class, please notify me PRIOR to that class. I understand that you cannot always control the scheduling of items such as medical appointments and job interviews. Cutting class, especially on the day of an examination in another course, is most immature and unprofessional. Students are also responsible for monitoring their absences during the semester. Please either set your cell phone to “vibrate” or turn it off when you come to class.

**Audit**

Students who wish to audit courses without earning credit must present evidence of their preparation for the course or courses in which they wish to enroll. **Auditors are required to attend all classes but are not required to complete written course assignments or examinations.**

Students must first register for the course via CheckMarq, then request the audit option from the student’s college office with the Audit Request form located at [Marquette Central](http://Marquette Central). This form is used through the end of registration for each session, as published on the University Academic Calendar. A
student must declare by the beginning of the term (by the end of late registration) that she/he will audit the course. The final date to withdraw from this course is **Friday, April 15**.

**Grading:**

Your final grade in this course will be based on three examinations, and a practice set as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three examinations</td>
<td>30%</td>
</tr>
<tr>
<td>Practice Set</td>
<td>10%</td>
</tr>
</tbody>
</table>

The cut-off points for course grades are as follows:

- **A** = 93-100%
- **AB** = 88-92%
- **B** = 82-87%
- **BC** = 78-81%
- **C** = 72-77%
- **F** = Below 72%

**Graduate Students and Undergraduate Students Taking this course for potential graduate credit:**

There are no grades of CD and D in a Graduate course.

Class participation and the presence (or absence) of a mature attitude will be considered in borderline cases. Please do not request extra credit to compensate for a previous unwillingness to work.

**Examinations:**

Each student is expected to take each examination as scheduled. No makeup exams will be given. If there is an extreme emergency due to which you cannot take one of the first two semester exams, **AND** you notify me before the date of the exam, then the other semester exam will count 60%. If for some reason classes are cancelled during finals week, the student will receive the grade to date. No exams will be given early for anyone. No exam will substitute for the final. The final exam will be given at its scheduled time, no exceptions.

**Practice Set:**

This assignment requires to you complete a 2014 Corporation Income Tax Return using Form 1120. The assignment is Tax Return Problem #2 (Kingfisher Corporation) on pages 2-53 to 2-55 in your text. **Submit the first page of Form 1120 only.** Form 1120 can be downloaded from the IRS website [http://www.irs.gov](http://www.irs.gov). Page 1 of Form 1120 is also available in your the Appendix of your textbook on pages B-29. **The Practice Set is due via email by Tuesday, April 26.** Grading of the Practice Set is based on **accuracy and neatness of presentation**. The grade on your Practice Set will count 10% toward your final grade. No late Practice Sets will be accepted. The Practice Set is to be **an individual effort!**

**Academic Integrity**

**Statement on Academic Integrity**

We, the scholars of Marquette University, recognize the importance of personal integrity in all aspects of life and work. We commit ourselves to truthfulness, honor, and responsibility by which we earn the respect of others. We support the development of good character in our academic community, and commit to uphold the highest standards of academic integrity as an important aspect of personal
integrity. Our commitment obliges us as students, faculty, and staff to conduct ourselves according to the Marquette University Honor Code set forth below. We do this in pursuit of Marquette University’s mission, which is the search for truth, the discovery and sharing of knowledge, the fostering of personal and professional excellence, the promotion of a life of faith, and the development of leadership expressed in service to others.

Students are asked to commit to academic integrity through the following honor pledge.

I recognize the importance of personal integrity in all aspects of life and work. I commit myself to truthfulness, honor, and responsibility, by which I earn the respect of others. I support the development of good character, and commit myself to uphold the highest standards of academic integrity as an important aspect of personal integrity. My commitment obliges me to conduct myself according to the Marquette University Honor Code.

Marquette University Honor Code

The honor code obliges students:

1. To fully observe the rules governing exams and assignments regarding resource material, electronic aids, copying, collaborating with others, or engaging in any other behavior that subverts the purpose of the exam or assignment and the directions of the instructor.
2. To turn in work done specifically for the paper or assignment, and not to borrow work either from other students, or from assignments for other courses.
3. To give full and proper credit to sources and references, and to acknowledge the contributions and ideas of others relevant to academic work.
4. To report circumstances that may compromise academic honesty, such as inattentive proctoring or premature posting of answers.
5. To complete individual assignments individually, and neither to accept nor give unauthorized help.
6. To accurately represent their academic achievements, which may include their grade point average, degree, honors, etc., in transcripts, in interviews, in professional organizations, on resumes and in the workplace.
7. To report any observed breaches of this honor code and academic honesty.

Accounting Major Requirements:

- To graduate with an accounting major you must have at least a 2.5 GPA in all College of Business Administration courses taken at Marquette University.
- All accounting majors must earn a grade of C or higher in all ACCO and BULA courses which are required for the accounting degree.

Emergency Plan:

The Office of Risk Management and Public Safety has asked us to include the following wording in all course syllabi: Every Marquette University campus building has emergency shelter and evacuation plans. Please familiarize yourself with the plans of each building in which you take your classes.
Special Needs:

Please inform me during the first week of class if you have any conditions that may limit or affect your ability to participate in this course so that we can make necessary arrangements. You may also contact the Office of Student Disability Services, in Marquette Hall Room 005 (phone number is 8-1645). For more information see http://www.marquette.edu/disability-services.

Miscellaneous:

Any and all class problems are to be discussed with me FIRST before speaking with anyone else. If my office hours are not convenient, please contact me and I will arrange a time that is mutually convenient for both of us. Please contact me ASAP if you are having difficulties in this course. Do not wait until the situation gets out of hand.

The following is a schedule of meetings and material coverage for the course

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>T 1/19</td>
<td>Introduction</td>
<td></td>
</tr>
<tr>
<td>TH 1/21</td>
<td>Corporations - Operating Rules</td>
<td>2-45, 2-51, 2-48</td>
</tr>
<tr>
<td>T 1/26</td>
<td>Corporations - Operating Rules</td>
<td>2-54, 2-55</td>
</tr>
<tr>
<td>TH 1/28</td>
<td>Corporations - Schedules M-1, M-2, and M-3</td>
<td>2-60</td>
</tr>
<tr>
<td>T 2/2</td>
<td>Corporations - Organization</td>
<td>4-26, 4-27</td>
</tr>
<tr>
<td>TH 2/4</td>
<td>Corporations – Capital Structure</td>
<td>4-36, 4-38</td>
</tr>
<tr>
<td>T 2/9</td>
<td>Dividend Distributions</td>
<td>5-27, 5-34</td>
</tr>
<tr>
<td>TH 2/11</td>
<td>Dividend Distributions</td>
<td>5-39, 5-40</td>
</tr>
<tr>
<td>T 2/16</td>
<td>1st Exam – Chapters 2, 4, and 5</td>
<td></td>
</tr>
<tr>
<td>TH 2/18</td>
<td>To be announced</td>
<td></td>
</tr>
<tr>
<td>T 2/23</td>
<td>Corporate Redemptions</td>
<td>6-44, 6-46</td>
</tr>
<tr>
<td>TH 2/25</td>
<td>Corporate Redemptions – Additional Limitations</td>
<td>6-53, 6-54</td>
</tr>
<tr>
<td>T 3/1</td>
<td>Corporate Liquidations</td>
<td>6-51</td>
</tr>
<tr>
<td>TH 3/3</td>
<td>Corporate Liquidations</td>
<td>6-57</td>
</tr>
<tr>
<td>T 3/8</td>
<td>Corporate Liquidations</td>
<td>6-60, 6-62, 6-64</td>
</tr>
<tr>
<td>TH 3/10</td>
<td>Corporate Reorganizations</td>
<td>7-26 (omit parts b, d, e, and f)</td>
</tr>
<tr>
<td>T 3/15</td>
<td>Corporate Reorganizations</td>
<td></td>
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<tr>
<td>TH 3/17</td>
<td>Spring and Easter Holiday Break – No Class</td>
<td></td>
</tr>
<tr>
<td>T 3/22</td>
<td>Spring and Easter Holiday Break – No Class</td>
<td></td>
</tr>
<tr>
<td>TH 3/24</td>
<td>Spring and Easter Holiday Break – No Class</td>
<td></td>
</tr>
<tr>
<td>T 3/29</td>
<td>Corporation Reorganizations</td>
<td>7-34</td>
</tr>
<tr>
<td>TH 3/31</td>
<td>To be announced</td>
<td></td>
</tr>
<tr>
<td>T 4/5</td>
<td>2nd Exam – Chapters 6 and 7</td>
<td></td>
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<tr>
<td>TH 4/7</td>
<td>To be announced</td>
<td></td>
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<tr>
<td>T 4/12</td>
<td>Partnership Formation</td>
<td>10-28</td>
</tr>
<tr>
<td>Day</td>
<td>Date</td>
<td>Topic</td>
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<tr>
<td>TH</td>
<td>4/14</td>
<td>Partnership Liabilities</td>
</tr>
<tr>
<td>T</td>
<td>4/19</td>
<td>Partnership Operations</td>
</tr>
<tr>
<td>TH</td>
<td>4/21</td>
<td>Partnership Operations</td>
</tr>
<tr>
<td>T</td>
<td>4/26</td>
<td>Partnership Distributions <strong>(Practice Set Due)</strong></td>
</tr>
<tr>
<td>TH</td>
<td>4/28</td>
<td>Sale and Termination of a Partnership Interest</td>
</tr>
<tr>
<td>T</td>
<td>5/3</td>
<td>S Corporations</td>
</tr>
<tr>
<td>TH</td>
<td>5/5</td>
<td>Review for final exam</td>
</tr>
<tr>
<td>F</td>
<td>5/13</td>
<td>Final Exam - Chapters 10, 11, and 12, 3:30 PM – 5:30 PM</td>
</tr>
</tbody>
</table>

This schedule is subject to change. In the event that a class is canceled, the assignment (or examination) scheduled for that class will be due (or given) on the next scheduled class date. **PLEASE CHECK YOUR MU EMAIL AND 2DL EMAIL REGULARLY. THIS IS HOW I WILL COMMUNICATE ADDITIONAL TOPIC COMMENTS AND ANY CHANGES IN ASSIGNMENTS.**