

University of Hawaii at Manoa - Shidler College of Business
Accounting 407, Taxation of Business Entities
Fall 2023 in D101 by Prof. Thomas (Tom) Pearson

E-MAIL: E-mail is encouraged: [use Laulima email or add 407 to subject if using tpearson@hawaii.edu](mailto:tpearson@hawaii.edu)

(If a response to a question is not received within 24 hours, then please email again.)

OFFICE HOURS, please request an appointment for either in person or zoom.

COURSE REGISTRATION OR WITHDRAWAL: Contact OSAS for help.

COURSE DESCRIPTION:

Examines federal income tax provisions for business entities and their shareholders or partners regarding the formation, operation, and distributions from corporations, S corporations, and partnerships. Pre: Accounting 401 Federal Individual Taxation.

COURSE OBJECTIVES:

[Acquire basic knowledge of tax concepts](#) at a high level about aspects of Subchapters C and K of the Internal Revenue Code for knowledge of federal taxation of various business entities.

[Strengthen critical thinking and problem solving](#) in identifying frequent business tax issues, tax planning opportunities, ethical considerations, and technological advancements.

REQUIRED COURSE MATERIALS:

This course requires **CNOWv2** access from Cengage. CNOWv2 is available under **Cengage Unlimited for online homework platform + eTextbooks**). The Interactive Digital Access Program (IDAP) is an initiative between bookstores and publishers to provide students with their digital course material at an affordable price. A Bookstore IDAP Rental charge will be added to your MyUH account. You pay the IDAP Rental charge by paying-off all charges on your MyUH account.

You will access your required course material digitally, through a tool on the left-hand menu of your Acc 407 Laulima page. The last day for students to opt-out of IDAP course materials is Tuesday, Sept. 12, 2023.

1. **[Thus, you are purchasing access to](#)** both **[CNOW Access \(for handling all homework\)](#)** and ***South-Western Federal Taxation 2024: Corporations, Partnerships, Estates and Trusts, 47th Edition***



A few additional course readings may get posted on the course website (laulima.hawaii.edu).

USE CHROME TO REGISTER for CNOW (where homework is submitted and graded):

1. Go to: <https://getenrolled.com/> Enter this Course Key: **E-Y84E49M2KBQG4**

Confirm your Course (click “Continue”). If you already have a Cengage account, log in now. New to Cengage? Click “Create Student Account” and register. They recommend using your school email. **Enroll in Your Course** (Click “Continue” to access your course.)

TEACHING METHODS and CLASS TIME: Most of the class time consists of lectures, during which students are sometimes called upon to answer questions. However, given two big changes going on (ChatGPT and CPA Exam 2024 changes) further changes in substance and style might occur in class.

COURSE CONTENT RESTRICTIONS: The lectures and course materials used in this class, including PowerPoint presentations, tests, outlines, and similar materials, are protected by U.S. copyright law and by UH policy. Either Cengage or the Prof are the exclusive owner of the copyright in those materials created for this class. You may take notes and make copies of course materials for your own use. You may also share those materials only with another student who is currently enrolled in this course. You may not reproduce, distribute or display (post/upload) lecture notes or recordings or course materials in any other way.

CLASS PARTICIPATION, ATTENDANCE POLICY, & TIME REQUIRED: Regular attendance is required to the same extent as if one was working for an accounting firm. This course requires extensive effort outside of class. The work is challenging and valuable. It is expected that students will attend class regularly and arrive on time. Please prepare for class by reading the relevant textbook chapter material **before** that chapter is covered in class.

Class participation points encourage active learning, attentiveness, and assertiveness. The classroom experience is a vital portion of the learning process for this course. This class is partially designed to provide experimental learning through classroom exercises. Regular attendance is required to the same extent as if one was working for an accounting firm. Submit requested class time work in the weekly engagement box by the end of class, even if the work is not fully finished. The submission is sometimes used to give feedback and it records your attendance.

COURSE GRADING POLICY: Grades are based on a strict 90%-A range, 80%-B range, 70%-C range, 60%-D range, modified by +/- grading within that range. If the grade results on an exam are extremely low, the option is reserved to provide everyone with a take-home supplement or other grade adjustment.

POINTS ALLOCATED FOR EACH COURSE ELEMENT:

<i>Points</i>	<i>Topic</i>
150	Exams (75 points each)
40	Homework (roughly equally weighted, but tax returns a bit more)
40	Quizzes – 4 quizzes at 10 points each
20	Class participation
250	TOTAL MAXIMUM POINTS

EXAMS / QUIZZES: Each exam has mostly calculation problems and multiple choice questions. Given chat-GTP’s ability to provide many correct answers (but not all), quizzes and exams are given on paper and are closed book, except for one sheet of paper (no electronic version/ devices).

The final exam tests on the material after the midterm, emphasizing partnerships. Familiarity with the concepts covered in many class lectures are assessed in the quizzes. Usually, a quiz probably has 5-8 questions on one or two chapters for 20-30 minutes.

CNOW HOMEWORK: Homework assignments for each chapter will be available for students to complete and submit via CNOW. Homework is uploaded to CNOW. Grade range adjustments occur at the end of the semester in transferring the homework score to Laulima.

EXTRA WORK REQUIRED for those NEEDING 400 LEVEL CREDIT (MAcc + 3/2 stu.):
A more complex tax return is required for those using the 400 level for a graduate program degree.

HONOR CODE: Please follow Shidler’s and SOA’s Honor Code, including:
One may not obtain information about an exam from someone who has already taken it.
Do not copy from another person's exam. Do not use unauthorized assistance during an exam.
Please do not remove an exam from the room without permission.
Please do not create even the appearance of violating the honor code

TITLE IX: UH is committed to providing a learning, working and living environment that promotes personal integrity, civility, and mutual respect and is free of all forms of sex discrimination and gender-based violence, including sexual assault, sexual harassment, gender-based harassment, domestic violence, dating violence, and stalking. UH faculty are required to immediately report any incident of sex discrimination or gender-based violence to the campus Title IX Coordinator.

For more information regarding sex discrimination and gender-based violence, the University’s Title IX resources and the University’s Policy, go to: <http://www.manoa.hawaii.edu/titleix/> -
If you wish to remain ANONYMOUS, speak with someone CONFIDENTIALLY,
or would like to receive information in a CONFIDENTIAL setting, please see:
<http://www.manoa.hawaii.edu/titleix/resources.html#confidential>.

TENTATIVE SCHEDULE FOR TOPICS & READING ASSIGNMENTS:

For homework problems assigned, see CNOWv2.
Minor changes in course content often occurs as the course progresses.

Wk #	Wednes day	Topic	Reading Due
		Part I: Corporate Tax (ch 3-8)	
	8/23	COURSE INTRODUCTION, PROPERTY TRANSACTIONS, and CORPORATE FORMATION	Read Ch. 4
2	8/30	CORPORATE OPERATIONS (Deductions)	Read Ch. 3
3	9/6	Problems from related to ch3 and 4 Corporate Tax Return	
4	9/13	Quiz 1 (ch 3 & 4) ATTRIBUTION & REDEMPTIONS	Read Ch. 5

5	9/20	Sec. 318 LIQUIDATIONS and REVIEW	Read Ch. 6
6	9/27	(planning emphasis)	Reread ch 3-4
7	10/4	Quiz 2 Review	Reread ch 5-6
8	10/11	MIDTERM EXAM (Corporate Tax – ch 3-6) Homework boxes close for the first 6 weeks of class (the corporate tax return box remains open)	
		Part II: Flow Through Entities (Partnerships and S corps)	
9	10/18	DEDUCTION FOR QUALIFIED BUSINESS INCOME; & PARTNERSHIP FORMATION (ch 10)	Read Ch 2
10	10/25	PARTNERSHIP OPERATIONS (ch 10) and TRANSACTIONS BETWEEN PARTNERS and PTRSP	Read Ch 10
11	11/1	SALE OF A PTRSHIP INTEREST and ch 10 Practice	Read Ch 11
12	11/8	Quiz 3 (ch 10) CURRENT & LIQUIDATING PTRSP DISTRIBUTIONS	Reread Ch 11
13	11/15	PRACTICE PROBLEMS ON PTRSPS & Limited Review	
14	11/22	S CORP FORMATION	
15	11/29	Quiz 4 (ch 11) S CORPORATION DISTRIBUTIONS	Read Ch 12
16	12/6	REVIEW FOR FINAL EXAM	
17	12/13	FINAL EXAM (Partnerships and S Corps) – ch 2, 10-12	