Tax subCommittee members: Tom Pearson, Mary Woollen, Michael Dell,

Kurt Kawafuchi (absent from this discussion)

The tax subcommittee approved the following report for the Nov. 9, 2020 SOA meeting.

Nov. 2, 2020

Meeting Minutes of the Curriculum tax sub-committee

The tax sub-committee engaged in several email discussions during October and early November 2020. The committee agreed that no further changes in tax are needed for next year. However, the tax sub-committee will meet again in Spring 2021. The sub-committee is fundamentally waiting for the AICPA blue-print contents for the CPA Exam 2024 to determine if any course content or course name changes are needed when tax becomes one of three core parts and is also one of three alternatives to complete the specialized fourth part of the exam.

The tax sub-committee reviewed the tax courses from the benchmarked top 20 universities. The sub-committee observed that we are the only school in the peer group with the title “federal individual income taxation.” About a generation ago, tax academics discussed that tax education in accounting should reflect what auditors need to know, and moved away from a pure focus on individual tax for the required tax course. The professional community in Hawaii provided a strong voice opposing any movement to a more conceptual tax course. At many schools, the required tax course(s) have concepts that apply to individuals, but allocate some class time to other topics. SOA would have to adopt a course name change to reflect broader content change.

One committee member commented that Georgetown & Ohio State both name their courses
Tax Accounting I (similar to Acc 401) and Tax Accounting II (similar to Acc 407, taxation of business entities).  Some members like that naming pattern because it would provide maximum flexibility to adjust content coverage if and when the need arises. Another member was hesitant to adopt non-descriptive name changes to courses, a concept that has generally fallen out of favor over the last generation.

In the spring 2021, the Tax sub-committee expects to examine the tax offerings and course descriptions of four or five universities, such as Cornell (which appears to have innovative courses), Boston College (which appears to have a more transaction approach), and a few leading public universities having a similar undergraduate accounting program. The investigation anticipates examining course syllabi and reviewing textbook options. If encouraged by SOA, the sub-committee will also consider whether to offer a one-hour course elective overseeing students assisting individual taxpayers with their tax returns.

July 3, 2020, 2 p.m. HST

Meeting Minutes of the Curriculum Sub Committee in Taxation

Attendees:  Tom Pearson, Michael Dell, Mary Woollen, Kurt Kawafuchi, and Edwin Young

The tax committee, with the addition of Edwin, had a Zoom call on Friday. As part of this call, we discussed a number of items included in the attached agenda. Here are the conclusions we reached as a group:

1. The SOA should continue Accounting 425 as part of its required curriculum. We suggested Edwin meet with Jee-Hae Lim, and perhaps others, to coordinate the content of Accounting 409 (and related courses) with what is covered in Accounting 425.
2. Due to the significant tax requirements in the REG section of the CPA exam (see attached), we believe Accounting 407 should be a 3-hour course at some point. There is too much information relating to the taxation of business entities to cover in an 11-week course. With some minor “tweaks” to the content used in the Spring of 2020, Accounting 407 could be structured as a 3-hour course.
3. In order to meet the constraints of a 2-hour course (which is necessary for Fall 2020), certain content that was covered in the Spring 2020 class for Accounting 407 must be deleted. It was agreed that all students need basic knowledge of the taxation of Partners and Partnerships, so Accounting 407 should cover that. However, it may be necessary to cover one chapter on Partnerships in the South Western text as opposed to two. Also, any content related to Subchapter S corporations will be eliminated until Accounting 407 is a 3-hour course. Any necessary additional “cuts” to the content will come from Subchapter C. People also felt it was important to cover Section 199A, Qualified Business Income, in Section 407 since it is only covered at a very cursory level in Accounting 401.
4. As far as the MAcc while we did discuss several topics, people felt many of the issues raised should be addressed by Shirley’s committee with the SOA Advisory Board that was supposed to meet prior to Covid-19. However, we did examine the graduate tax electives: Accounting 631, 638 and 639. The group recommends that Accounting 631 be offered every year. Accounting 638 and 639 should be offered in alternative years. Also, since Subchapter S is currently eliminated from Accounting 407, Kurt stated he could cover something on this topic in Accounting 631.

We hope this answers the questions you asked us to address. If there is anything else, please let us know.

Thanks.

Tom