Tax 5990 – Taxation of Passthrough Entities

University of West Florida

Set-up of the Course: This course is taught through the internet. You will be provided a video lecture for each topic covered in the class and a set of class notes which follow the video lectures. The video lectures are made from PowerPoint slides with voice over. The video lectures are identical to a classroom lecture without student-teacher interaction during the lecture. Any questions will be handled through e-mail. At least one of the examinations may be given in a monitored setting.

All of the materials for the course are provided at the beginning of the semester and thus you can work at your own pace. The first exam will be given at the beginning of the 7th week and the second exam at the beginning of the 13th week.

You can access the class materials from the course. The University of West Florida class web site includes the syllabus, course notes, and course videos.

There are no assignments to be handed in. Your grade will be based on two objective 90-minute exams that will be administered through the internet. Each exam made up of 40 objective questions and each exam is worth 100 points, for a maximum total of 200 points.

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5-1-2012
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Phone: 850-473-7100

Office Hours: by appointment


Prerequisites: TAX 4001 (C or better)

Course Objectives: This course provides an in-depth analysis of the taxation of pass-through entities including partnerships, S corporations, and limited liability companies. The course provides an overview of both the tax and the non-tax considerations in selecting an organizational form for a business activity. While the focus of the course material is on the Federal income tax law for the United States, many of the planning concepts are equally applicable to business and tax planning across state and foreign jurisdictions. The rules we will study include the formation, operation, and liquidation of the partnerships and S corporations. The purpose of the course is to familiarize you with the code, Treasury Regulations, administrative pronouncements, and case law, as those authorities relate to partnerships and S corporations. Partnership taxation is by far one of the most complex tax courses you will take in your tax curriculum. The course is designed specifically for students who are planning on a career in taxation.

Assignments: The topic coverage for the course is listed on a separate sheet. No other homework problems will be assigned.

Grading: Your grade will be based on two non-cumulative 90-minute exams each worth 100 points each.

Each exam is noncumulative

Each exam consists of 40 multiple choice questions.

All exam are based on the current law – Tested on the law in effect this year

Use of calculators allowed on the exam

The Grading Scale is as follows:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Letter</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100%</td>
<td>A</td>
</tr>
<tr>
<td>80-90%</td>
<td>B</td>
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<tr>
<td>70-80%</td>
<td>C</td>
</tr>
<tr>
<td>60-70%</td>
<td>D</td>
</tr>
<tr>
<td>Below 60%</td>
<td>F</td>
</tr>
</tbody>
</table>

Reviewing Exams: If you wish to review your exams you must do that in my office in Pensacola. Since at least some of the questions on each exam come from prior semester exams, I do not discuss particular questions via email.
**Course Materials:** The course materials along with the video lectures are available on the University of West Florida’s course web site.

- University web site: argus.uwf.edu
- Enter your university username and password
- Click on: My Info
- Click on: TAX5990 in the eLearning box
- Click on: Content

**Plagiarism Policy**

http://library.uwf.edu/Tutorials/module_plagiarism/default.htm

**ADA Policy:**

Students with disabilities needing academic accommodation should (1) register with and provide documentation to the Student Disability Resource Center, (2) bring a letter to the instructor indication the need for accommodation and what type. This should be done during the first week of class.

**Course Videos**

To view and listen to the narrated PowerPoint slides, you will need to click on Slide Show in the top line of the PowerPoint slide and then click on “View Show.” Or you can click on the wine glass in the lower left hand corner of the PowerPoint slide. Once you are in “View Show” you must either left click the mouse or the “Page Down” key to proceed to the next slide.

The sound for each slide will be presented automatically as you go forward to each slide. Alternatively, if you are not in “View Show” mode you can receive the sound for each slide by double clicking on the “Speaker” shown on the slide. You may wish to adjust the volume on your speakers.

You can go back to previous a slide by using the “Page Up” key. It will probably take a double click to get back to the previous slide. You need to go to the slide previous to the slide you wish to view and then go forward to the slide for you wish to hear the sound.
TOPIC
Choice of Entity ¶101
   Sole Proprietorship
   C Corporation
   S Corporation ¶21,001
   Partnerships ¶102
      General Partnership
      Limited Partnership
      Limited Liability Company
      Limited Liability Partnership
S Corporations ¶21,009
   Eligibility Requirements
   Electing S Corporation Status ¶21,077
Limited Liability Companies ¶21,085
   Introduction
   Single Member LLC
   Limited Liability
   Provisions
      Formation
      Articles of Organization
      Fees
      LLC Name
      LLC Life
      Operating Agreement
      Registered Office
      Management of LLC
      Voting Rights
      Sharing Profits and Distributions
      Recordkeeping
      Employment Taxes
      Dissolution
      Retirement or Withdrawal of Member
   Transfer of LLC Interests
      Foreign LLCs
   Limited Liability Partnerships
Other Form of Partnerships
   PLLC
   LLLP
Operating the Entity ¶21,085, ¶301-305
   Contributions to Capital
   Nontaxability
   Services ¶401-403
   Investment Company
   Disguised Sale ¶503
   Tax Avoidance
   Assumption of Excess Liabilities
Converting Entities
   Incorporating a Partnership
   Converting Partnership to LLC
   Converting Corporation to LLC
   Converting Corporation from C to S
Conversion Basis
Tax Year
   Partnership ¶201-202
   S Corporation ¶21,105
Cash Method ¶203, ¶21,501
Taxation of Income
   S Corporation ¶21,147
   Partnership ¶701-702
Owner Share of Income
   Partner’s Distributive Share ¶703, ¶801-802, 804-805, 901-902, 906-909
   S Corporation Pass Through System ¶21,221-21,285
   Prorating after Owner Change ¶904
   Year Includible
Guaranteed Payments/Compensation
   Guaranteed Payments in a Partnership ¶704
Distributions vs. Compensation
Self-Employment Tax ¶21,221, ¶805.27
Fringe Benefits ¶21,221, ¶805.27
Precontribution Gain ¶803, ¶903
Losses
   Shareholder Limitation on Loss Deduction ¶910-911, ¶1001-1005
Sale of Interest ¶501-502
Related Party Transactions ¶1401-1407, ¶1501-1504
Distributions ¶21,339-21,343
   Partnership Gain and Loss Recognition ¶21,351
   Distributions by S Corporation ¶1201-1206, ¶1801-1803
   Shareholder Basis ¶1701-1703
   751 Property ¶1901-1904
   754 Option Basis Adjustment ¶21,170-21,171
   Family Partnerships ¶905
S Corporation Taxes ¶21,147
   Built-In Gains Tax ¶21,155
   Passive Investment Income Tax ¶21,163
   LIFO Recapture ¶21,161
   General Business Credit Recapture ¶21,171
Estimated Taxes ¶21,175
Penalties ¶21,185
S Corporation ¶21,009
Permitted S Corporation Trusts ¶21,401-21,453
S Corporation Termination ¶1101-1108, ¶1301-1303
   Complete Liquidation ¶1601-1604, ¶1901-1904

2 100 point short answer exams = 200 points