

**UNIVERSITY OF ILLINOIS AT CHICAGO**  
**COLLEGE OF BUSINESS ADMINISTRATION**

**Department of Accounting**  
**ACTG 508 – Federal Income Tax**  
**Fall 2012**

**Instructor Information**

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Office Hours: Thursday, 4:30 – 5:30 p.m. and by appointment	Blackboard: actg508.fall.2012
Class Time & Location: Thursday, 6:00 - 9:00 p.m., Stevenson Hall, Room #220	

**Course Description**

This is a survey course designed to present the student with a study of general federal income tax principles. Although the course will emphasize the federal income taxation of individuals, many of the concepts and rules are applicable to other taxable entities such as corporations, trusts and estates, which you may encounter in advanced courses or in your career.

Topics to be covered include basic tax concepts such as income as it relates to taxation, deduction, credit, gain, and loss, as well as their determination under the tax law. Additionally, where it is appropriate, we may occasionally touch on the policy behind a particular provision in the federal income tax law. An understanding of the underlying policy will provide you with a better understanding of the tax law – one that you will hopefully continue to develop throughout this course and perhaps into your career. Finally, this course will also introduce you to tax research and compliance – two basic skills required of a tax professional.

In sum, this course should provide you with an understanding of the tax law, a working knowledge of the technical rules, and an awareness of tax planning opportunities and limitations. Upon completing this course, I would like you to (1) have an understanding of the income tax concepts covered (and where appropriate, their rationale), (2) be able to apply the technical rules to factual situations, and (3) communicate your analysis of the resulting tax consequences.

**Prerequisites**

An understanding of basic accounting, the time value of money, and other concepts taught in introductory accounting courses are essential to understanding the material presented in this class. In addition, the use of computer software, such as office applications, Web-browsers, and e-mail programs will be necessary to complete the course requirements.

### Required Materials

- *Taxation of Individuals and Business Entities, 2013 edition* by Spilker, Ayers, Robinson, Outslay, Worsham, Barrick, and Weaver, McGraw-Hill. ISBN: 978-0078025464

### Grading Elements

I have chosen grading elements to reflect both the student's level of understanding using several assessment techniques and the student's mastery of skills critical to the successful tax professional.

Online Quizzes (four, to be scheduled)	100
Exam 1	250
Exam 2	275
Exam 3	275
Tax Return Project	100
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Total of 1000 Points	

### Tax Return Project

Tax professionals must also be familiar with tax compliance requirements.

Each group will complete an individual tax return using fill-in forms available at the IRS Web site, [www.irs.gov](http://www.irs.gov).

### Exams

These comprehensive tests will help reveal the student's mastery of previously covered material using a variety of question types. Make-up exams will be given in "Family Emergency" case only, which is limited to death or catastrophic occurrence affecting the student's immediate family or closely-extended family.

### Online Quizzes

There will be four online quizzes, scheduled intermittently throughout the semester, administered via the class Blackboard site. The quizzes can be found on the Blackboard homepage under the 'Assignments' button. You will be allowed to use your textbook and class notes for the quizzes, but the quizzes are to be individual efforts. That is, there should be **no discussion or contact with any other person** about the quiz during the period that the quiz is available on Blackboard. Each quiz will be available for a one-week period, however once the quiz has been started it must be completed within the set time frame (usually one hour). It is to the student's discretion as to when to take the quiz within the one-week period.

### **Grading Scale**

The grading scale will provide feedback concerning the student's mastery of the tax concepts and professional skills necessary to success in either more advanced tax classes or an accounting career.

### **Safe Harbor Scale**

Students may guarantee themselves the grade they desire by achieving the grade points indicated in the following list.

#### **Grade.....Minimum Points Required**

A grades.....	900
B grades.....	800
C grades.....	700
D grades.....	600

### **Alternate Scale**

I **may** choose if such a scale better reflects the quality of work performed by the class.

### **Groups and Group Work**

As indicated above, about 10% of the student's grade will be based on work performed in a group setting. Unlike many professional situations, students will be allowed to form their own groups within limits; however, like many professional situations, students will bear the consequences of that choice. Students are encouraged to consider a variety of factors when choosing group members, certainly not limited to the following: 1) diversity of perspectives, 2) common goals, 3) personality conflicts, 4) scheduling, 5) prior team history, and so on. If a group loses a member, the remaining work will fall to the other members. If a group is unhappy with the effort of a particular member, it can expel that member by unanimous vote of other members. The expelled member will be required to complete all work due after his or her expulsion alone. If problems achieving consensus on any issue occur within a group, please contact me as soon as possible.

### **Semester Schedule:**

This course makes extensive use of Blackboard. All materials regarding the course may be found at UIC's Blackboard webpage located at <http://blackboard.uic.edu>. However, in order to provide you with an overview of the course, this syllabus contains a tentative schedule that presents an overview of how I think the semester will progress. During the semester, I may refine the schedule to more accurately reflect the pace of the course.

**Problems:**

The readings and problems are arranged by class session. You should read each chapter, before class, in its entirety at least once. However, each chapter contains more material than we can possibly hope to cover during the semester, so I will emphasize the pertinent information from each chapter during class. It is this material that you should review in detail prior to an exam.

As to the problems assigned, I will not review these problems to see that you have completed them. However, we may work through select problems in class. When possible, I will let you know in advance which problems will be discussed in class. Although not all problems will be discussed in class, I recommend that you work through all problems on your own. Solutions for the problems will be available on the class Blackboard site. If you have any questions regarding the problems or solutions, please feel free to ask.

**BlackBoard:**

Most of the material for this course can be found on the Blackboard homepage under the '*Course Documents*' button. Here you will find files organized by the various chapters in the text. Each chapter contains a list of learning objectives. As the semester progresses, I will place PowerPoint presentations and solutions to the homework problems within each chapter.

Private communication with the instructor is appropriate in other situations (e.g., grades, illness, etc.). Students should rely on email or a personal conversation as the principal form of communication with the instructor in these situations.

**Revisions**

This syllabus may be revised at any time prior to the final exam by e-mail to the student's UIC e-mail address or by statements made in class.

## TENTATIVE SCHEDULE

Week	Date	Topic	Problems	Assignments Due
1	8/30	Ch. 1; An Introduction to Tax Ch. 4; Individual Income Tax Overview	Ch 1: 34, 39, 44, 53, 57 Ch 4: 26, 28, 31, 33, 36, 46, 47, 50	
2	9/6	Ch. 5; Gross Income and Exclusions	38, 42, 47, 50, 54, 59, 63, 65, 66, 67	
3	9/13	Ch. 6; Individual Deductions	34, 38, 42, 48, 54, 55, 57, 60	Quiz #1 due by 6:00pm, 9/13/2012
4	9/20	Ch. 7; Individual Income Tax Computation and Tax Credits	53, 57, 60, 62, 70, 73, 75, 76, 78, 82	
5	9/27	<b>Exam 1 (6:00 – 9:00 pm &amp; Room # TBA) CH 1, 4, 5, 6, &amp; 7</b>		
6	10/4	Ch. 2; Tax Compliance, The IRS, and Tax Authorities		
7	10/11	Ch. 8; Business Income, Deductions, and Accounting Methods	45, 46, 49, 50, 54, 55, 57, 60, 61, 62, 67, 68, 72, 73, 76	Quiz #2 due by 6:00pm, 10/11/2012
8	10/18	Ch. 9; Property Acquisition and Cost Recovery	39, 40, 42, 43, 46, 52, 57, 58, 65, 67, 69, 70	
9	10/25	Ch. 10; Property Dispositions	32, 36, 37, 41, 43, 48, 51, 52, 56, 57, 60, 62, 63	Quiz #3 due by 6:00pm, 10/25/2012
10	11/1	<b>Exam 2 (6:00 – 9:00 pm &amp; Room # TBA) CH 2, 8, 9, 10</b>		

11	11/8	Ch. 11; Investments	50, 51, 52, 53, 57, 60, 61, 62, 64, 66, 76, 78	
12	11/15	Ch. 12; Compensation	26, 27, 29, 32, 36, 43, 48, 53, 55	
13	11/22	<b>Thanksgiving Holiday – No class</b>		
14	11/29	Ch. 13; Retirement Savings and Deferred Compensation	50, 52, 55, 59, 61, 63, 64, 79	Quiz #4 due by 6:00pm, 11/29/2012
15	12/6	Ch. 14; Tax Consequences of Home Ownership	39, 45, 47, 50, 58, 64, 65, 70, 71	Tax Return Project due by 6:00pm, 12/6/2012
16	TBD	<b>Final Exam CH 11, 12, 13, &amp; 14</b>		