

## Information For Course Reference # 11042 in Spring 2020

### General Course Information

<b>CRN</b>	11042
<b>Course Title</b>	Flow Through Entities
<b>Description</b>	The taxation of partnerships, LLCs, and S-Corporations using a "life-cycle" approach.
<b>College</b>	Business
<b>Division</b>	Business
<b>Subject Area</b>	Taxation
<b>Course Number</b>	TAX 6205
<b>Credit Hours</b>	3
<b>Meeting Information</b>	Hybrid class meets on alternate Tuesdays in-class on the following dates: 1/14, 1/28, 2/11, 2/25, 3/10, 3/24, 4/7, 4/21. <b>Class</b> : T -- 05:30pm - 08:15pm -- Lutgert Hall 2201
<b>Prerequisites</b>	TAX 4001

### Distance Learning/Off Campus Course Information

**Is this a DL Course?** Hybrid.

### Instructor Information

<b>Instructor</b>	Raymond Placid
E-Mail Address	rplacid@fgcu.edu
Phone Number	590-7343
Office Location	Lutgert Hall 2307
<b>Office Hours</b>	<b>ON CAMPUS WEEKS</b>
	Tuesday: 4:15-5 pm
	8:30 -9:30 PM
	Wednesday: 4:15 – 5pm
	8:30 -9:30 PM

Thursday 4:15-5 pm  
8:30 -9:30 PM  
on line weeks the same but through canvas.

**Teaching  
Philosophy**

"A University is a repository of knowledge where interaction is a function of the education process. Thus, a student must take the initiative and assume primary responsibility for their own learning-success or failure of this process can be directly correlated to a student's degree of effort. The role of the professor in the education process is to (1) select relevant and challenging assignments; (2) clarify and summarize complex materials; (3) motivate students to expand their knowledge; and (4) provide timely feedback on a student's progress. Advance class preparation and regular class attendance are essential ingredients in the interaction process."

**Additional  
Instructor  
Information**

Flow Through Entities is a course that supports the accounting students fulfill the CPA Examination curriculum requirements in the State of Florida. In addition, the course covers an up and coming trend in taxation, the use of non taxable entities to conduct business. This course is designed to develop fundamental knowledge of flow through entity tax laws and the tax implications of flow through entities for business planning.

This course is important to the accounting program because flow through entities are an accounting mechanism use by the federal government to analyze and keep track of accounting information.

**Course  
Materials**

We will discuss Ethics strategies during the semester.

**Required  
Course  
Materials**

1. The logic of Subchapter K Problems and assignments –
2. The Learning of Subchapter K. Federal
3. Income Tax Code Current Income tax Code

**Optional  
Course  
Materials**

None

**Course  
Policies**

**Learning Objectives, and Agenda  
Grading, Attendance, and Other Policies**

ATTENDANCE AND PARTICIPATION

**As of fall 2015, all faculty members are required to confirm a student's attendance for each course by the end of the first week of classes. Failure to do so will result in a delay in the disbursement of your financial aid. The confirmation of attendance is required for all students, not only those receiving financial aid.**

In this course the confirmation of attendance will be the completion of the syllabus quiz in Canvas. See the draft "**COURSE SCHEDULE of ASSIGNMENTS and ACTIVITIES**" below. Failure to complete the mandatory attendance confirmation syllabus quiz by the deadline will result in a 3 point reduction in overall course points.

Attendance and completion of assignments are considered minimum requirements for all students.

Failure to be prepared for class will constitute an absence. Failure to attend class on time will constitute an absence. More than one absences, e.g., actual absences as well as absences assigned for lack of preparation or tardiness, will result in a reduction of your grade by a letter grade. If you are absent for more than one classes, you will be assigned an F for the course and or lose other benefits available to the other students. This penalty assessment policy applies regardless of performance on written examinations and the penalty is at the discretion of the instructor.

The instructor retains the discretion to approve excuses on a case-by-case basis. If you miss class for a medical reason, do not ask the instructor to be excused without written documentation from a medical doctor or nurse practitioner. Participation in FGCU team athletic events is also a reasonable excuse for missing class.

For active and quality participation, the Instructor reserves the right, in the Instructor's sole and absolute discretion, to increase your final grade by a half of letter grade. This adjustment is solely within the discretion of the Instructor. In addition, an absence assigned for lack of preparation may, at the instructor's discretion, be removed if you are called upon during class on a subsequent date and do in fact correctly answer the questions posed by the instructor. Class questions will not be limited to the homework but will also include any material in the chapters assigned.

## GRADING

Each student starts this class with an A.

The exams are set forth below. Each exam will consist of objective questions and possibly short-answer essays. The second exam (final) will be cumulative.

Each student's grade will be based on the following:

Exam 1 40%

Exam 2 50% cumulative

Paper or homework, if collected will amount to 10% of grade  
In the event a paper is not assigned or homework is not collected, then the second exam will be 60% of the grade.

Topic: to be assigned.

The grading scale for final grades is: Grade Total Points –

A 90-100

B 80-89

C 70-79

F Below 69

Instructor reserves the right to assign + to student's grade. Also the scale may be adjusted to accommodate a curve of the final Grade. Instructor reserves the right to modify the syllabus or the topics covered during the semester. The topics covered may not be in the order identified below or in the assigned materials.

Make-up exams will not be given without the instructor's approval. If you miss an exam without a reason approved by the instructor, you may receive a "0". The instructor's discretion is final. You are responsible for all material assigned even if it is not covered in a class lecture. You are also responsible for material presented in class that is not covered in the textbook. You are also responsible for any outside reading material assigned by the instructor. Questions on outside reading material or information discussed in the class may show up on an exam.

## HOMEWORK ASSIGNMENTS

Each student is responsible for writing answers to the problems assigned at the end of the chapters. The instructor may collect homework answers. All HOMEWORK ASSIGNMENTS ARE TO BE hand written and if collected will constitute participation or the lack thereof. We will generally do the homework at the end of the of each topic. Homework to be assigned in class.

## Quiz on Canvas

### Introduction to Partnership Taxation

1. Introduction to Subchapter K
2. Definition of a Partnership
  - A. Partnership Versus Corporation
  - B. Partnership Versus Other Business Arrangement

### Formation of the Partnership

1. Contributions of Money or Property
2. Contributions of Encumbered Property
3. Contribution of Property Versus Contribution of Services

### Taxation of Partnership Taxable Income to the Partners

1. Pass-Thru of Partnership Income and Loss
2. Limitation on Partners' Deductions of Partnership Losses

### Determining Partners' Distributive Shares

1. The 704(b) Regulations
  - A. Allocations of Items Unrelated to Nonrecourse Debt  
Revenue Ruling 97-38
  - B. Allocations Attributable to Nonrecourse Debt
2. Allocations With Respect to Contributed Property
3. Allocations Where Interests Vary During the Year
4. Family Partnerships

### Allocations of Partnership Liabilities

1. Allocation of Recourse Liabilities
2. Allocations of Nonrecourse Debt

### Transactions Between Partners and the Partnership

1. Transactions Involving Services, Rents, and Loans
2. Sales of Property

### Sales of Partnership Interest by Partners

1. The Seller's Side of the Transaction
  - A. General Principles
  - B. Capital Gain Versus Ordinary Income: Section 751
2. The Purchaser's Side of the Transaction: Basis Aspects

### Partnership Distributions

1. Current Distributions
  - A. Cash Distributions
  - B. Property Distributions
  - C. Distributions by Partnerships Holding Unrealized Receivables
2. Distributions in Liquidation of a Partner's Interest

3. Basis Adjustments to Remaining Partnership
4. Sale of Interest to Other Partners Versus Liquidation
5. Complete Liquidation of the Partnership
6. Special Problems of the Liquidation of a Partnership
7. "Mixing Bowl" Transactions

#### S Corporations

1. Eligibility, Election and Termination
  - A. Stockholder rules
  - B. Corporate Eligibility
  - C. S Corporation Election Procedures
  - D. Revocation or Termination of S Corporation Status
2. Effect of the Subchapter S Election by a Corporation With No C
  - A. Pass through of Income and Loss
  - B. Distributions
3. S Corporations That Have a C Corporation History
  - A. Distributions From an S Corporation With Earnings and Profits Accumulated From Subchapter C Years
  - B. Passive Investment Income of an S Corporation With Accumulated Earnings and Profits
  - C. Built-In Gain Tax
  - D. Policy Aspects of the Treatment of Subchapter S

**Learning Objectives and Assessment Strategies**

Students will -

**MS Program Outcomes –**

LLO1; ALC - CLS1: Communicate effectively at a professional level.

LLO2; ALC – CLS2: Demonstrate effective mentoring skills.

**Course specific outcome –**

**Additional Information**

Understand the intricacies of flow through entity taxation.

All will be assessed either by Rubric and/or MC questions and returns

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of flow through entities for business planning. This course is important to the accounting program because flow through entities are an accounting mechanism use by the federal government to analyze and keep track of accounting information.

### **ETHICS**

Ethics has become an extremely important topic in today's environment. An accountant's only product is his/her service which is measured by his/her integrity and professionalism. It is expected that no academic dishonesty will occur. Cheating on any assignment will be pursued according to the appropriate procedures outlined in the Student Conduct Code. Cheating includes plagiarism on any of the assigned projects.

### **IMPORTANT STATEMENTS, POLICIES, RESOURCES, AND DESCRIPTIONS FOR GRADUATE COURSES**

#### **I. Departmental Policies and Resources:**

1. CALCULATOR. Texas Instruments BA II PLUS.

NOTE: The required calculator is the only electronic device allowed to be used during class. UNLESS PERMITTED BY THE INSTRUCTOR, THE USE OF ALL OTHER ELECTRONIC DEVICES (phones, pads, laptop computers. etc.) is PROHIBITED DURING CLASS.

2. The schedules for the departmental courses offered (information on semester, day/night, other) are at:

ACG, TAX, and BUL (MS) - go to the ACG MS program link on the LCOB web page and click on "curriculum map" on left.

3. Planning for pre-registration and graduation is your responsibility: The above schedules and LCOB advisors, along with the course prerequisite sequences described in the FGCU Catalog and degree program sheets, should assist you in ensuring that your plans are successfully implemented. Course substitutions and prerequisite exceptions will be granted only for exceptional circumstances that are clearly beyond the student's control. Poor or lack of planning is not one of those circumstances.

4. Useful FGCU Resources:

Florida Gulf Coast University Catalog  
(<http://www.fgcu.edu/catalog/>)

Florida Gulf Coast University Student Guide Book  
(<http://studentservices.fgcu.edu/JudicialAffairs/>)

Florida Gulf Coast University Code of Conduct  
(<http://studentservices.fgcu.edu/JudicialAffairs/>)

## **II. Departmental Statements:**

### 1. How the course fits into the curriculum:

This course introduces the student to tax research concepts and decision making methodologies to be used in the accounting profession. It also supports the content covered in the CPA exam used to assess research skills.

### 2. Description of learning outcome assessment methodology:

When assessing the LOs above, if 90% of the students answer 80% of the question(s) correctly the assessment exceeds expectations; if 80% of the students answer 80% of the question(s) correctly the assessment meets expectations; if 70% of the students answer 80% of the question(s) correctly the assessment is below expectations; and If less than 70% of the students answer 80% of the question(s) correctly, the assessment fails.

## **III. University Statements:**

### **Counseling and Psychological Services (CAPS)**

Counseling and Psychological Services (CAPS) provides free counseling and therapy services (including psychiatry) to all FGCU students. Please walk in to the second floor Howard Hall office any week day between 8:30 and 4:30 to schedule an initial contact appointment. Visit the CAPS website at [www.fgcu.edu/caps](http://www.fgcu.edu/caps) for more information. CAPS offers a 24/7 Helpline at (239) 745-3277 (EARS).

### **Academic Behavior Standards and Academic Dishonesty**

All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under **the Student Code of Conduct and Policies and Procedures** sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Student Guidebook is available online at

<http://studentservices.fgcu.edu/judicialaffairs/new.html>

### **University Nondiscrimination Statement**

*Florida Gulf Coast University is committed to ensuring equity and fairness for all University employees, students, visitors, vendors,*

*contractors and other third parties. As such, the University prohibits discrimination on the bases of race, color, national origin, ethnicity, religion, age, disability, sex (including sexual harassment/assault), gender identity/expression, marital status, sexual orientation, veteran status or genetic predisposition with regard to admissions, employment, programs or other activities operated by the University. This prohibition extends to enforcement of **Title IX** of the Education Amendments of 1972. Questions or complaints should be directed to the Office of Institutional Equity and Compliance (OIEC). The OIEC's phone number is (239)745-4366; the OIEC email address is [OIEC@fgcu.edu](mailto:OIEC@fgcu.edu).*

### **Student Observance of Religious Holidays**

All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith. Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.

### **Disability Accommodation Services**

Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university's guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a disability, please see me or contact the Office of Adaptive Services. The Office of Adaptive Services is located in the Wellness Building. The phone number is 239-590-7956 or Video Phone (VP) 239-243-9453. In addition to classroom and campus accommodations, individuals with disabilities are encouraged to create their personal emergency evacuation plan and FGCU is committed to providing information on emergency notification procedures. You can find information on the emergency exits and Areas of Rescue

Assistance for each building, as well as other emergency preparedness materials on the Environmental Health and Safety and University Police Department websites. If you will need assistance in the event of an emergency due to a disability, please contact Adaptive Services for available services and information.

### **Center for Academic Achievement**

The Center for Academic Achievement (CAA) provides academic support services to all FGCU students. Students can take advantage of our free peer tutoring and Supplemental Instruction sessions for lower-level math and science courses, as well as workshops to facilitate the development of skills necessary for college success. If you would like to participate in any of our programs, learn about tutoring services, or meet with an Academic Retention Coordinator, please visit the CAA in Library 103 or call us at (239) 590-7906. Our website is [www.fgcu.edu/caa](http://www.fgcu.edu/caa).

### **Video and Audio Taping of Class Lectures**

Students are not allowed to audio tape or video tape class lectures – with the exception of any student that has a documented disability and the OAS determines the best reasonable accommodation for the student is to allow them to audio tape or video tape class lectures. Additional exceptions may be granted in the discretion of the professor. When tape recording is allowed, a Tape Recording Agreement Form must be signed by the student.

### **Respondus Monitor – Remote, Online Exam Monitoring**

In order to protect the integrity of online assessments that are delivered to students off site in a non-proctored location, this course may employ *Respondus Monitor* technology that will allow for the web-enabled monitoring of exams and quizzes. Students must own a computer device and an associated webcam that meet the minimum requirements of the University's standard remote monitoring system. Additional information:

- Respondus Monitor* overview:  
<http://respondus.com/products/monitor/>
- Respondus Monitor* Faculty Training and Workshops:  
TBA

### **Respondus LockDown Browser – Classroom and/or Remote Online Exams**

In order to protect the integrity of classroom *or* remote online exams, this course may employ *Respondus LockDown Browser* technology that will allow for the student's temporary restriction to a designated online testing website, disabling the ability to print, copy, access other applications or move to any other URL for the duration of the assessment. This technology may be used on campus in University computer classrooms *or* for remote delivery of quizzes and exams. [For online classes only: students must own a computer that meets the minimum requirements of the University's standard lock down browser application.] Additional information:

- *Respondus LockDown Browser* overview:  
<http://respondus.com/products/lockdown-browser/>
- *Respondus LockDown Browser* Faculty Training and Workshops: TBA

### **Lecture Capture Technology/FGCU Capture – Classroom Recording**

This course may employ technology that will allow for audio and/or video recording of live classroom sessions. This lecture capture technology is utilized for the sole purpose of enhancing student learning. It may provide for supplemental student instruction via secure links to recorded session(s), the live stream of courses, presentations of off-site guest speakers and/or the delivery of course instruction utilizing “flipped classroom” methodologies. Student questions and/or comments may be included as a part of any session being recorded. See FGCU-CAPTURE for additional details and training  
<http://aets.fgcu.edu/fgcucapture.asp>

## **IV. LCOB Vision, Mission, and Guiding Principles:**

### **Vision**

The Lutgert College of Business will be known for excellence in applied business education.

### **Mission**

The Lutgert College of Business educates and engages students and businesses in a collaborative community. We offer high quality educational programs that prepare our students to thrive in their professional careers.

Core Values/Guiding Principles:

Diversity: Foster a climate that enhances awareness of and respect for diversity of people and ideas, actively encouraging it among our students, faculty, and staff.

Service to the Community/Connected: Address current regional issues through extensive outreach activities and by building relationships on a local, regional, and global basis to facilitate the economic vitality and growth of Southwest Florida.

Sustainability: Educate and develop future business professionals to recognize the value of and need for social, economic, and environmental sustainability.

Global perspective: Emphasize the ability to perform effectively across cultures in addressing global business challenges building on the “second circle\*” model.

Integrity/Accountable: Maintain the highest standards of ethics, honesty, mutual respect, and accountability for our college’s faculty, staff and students.

Knowledge/Innovative: Provide an academic environment emphasizing teaching and scholarship that enhances student learning and the reputation of the college.

\*The second circle model was created by Dr. Richard Pegnetter as a process that expands the traditional college/university to international university partnership model to include the regional business community of Southwest Florida with the regional business community of our international partner thus expanding the interaction to a “second circle”.

#### V. Accounting MS Program Vision, Mission, Guiding Principles, and Goals:

Vision: Be the program of choice that prepares students to master the accounting subject matter and to become successful in their careers.

Mission: Prepare students for mid-level careers in public accounting, service organizations, government, and industry by ensuring that graduates can effectively use technology in research and practice for life-long learning and maintaining professional competence, understand their ethical responsibilities, and can communicate effectively with stakeholders (colleagues, clients, and others) of diverse backgrounds.

#### Guiding Principles:

1. Support the preservation of the AACSB accreditation.

2. Continue to add value to our stakeholders (students, employers, parents, and the community).

Goals:

Goal 1. Perform continuous review and evolutionary improvements in curriculum design based on the assessment of program learning outcomes and analysis of external input.

Goal 2. Scholarly productivity of the graduate faculty members on average will exceed the scholarship standards established for graduate faculty membership.

Goal 3. Graduate faculty members and students will produce professional and academic involvement outcomes, with continued industry specific experience for students and faculty members (Add value to students, the profession, and the community).