

Instructor: Daniel L. Heman, CPA, MACC; 572 KRAN; Purdue phone: 49-44300. **Email is preferred:** dheman@purdue.edu. **Check for Email sent by the instructor or Tracy or Secretary on a regular basis.**

Office Visits: **Preferably by appointment.** Email is the best way to contact the instructor.

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Course Text: **Individual Income Taxes, 2019** by Hoffman and Smith, South-Western, Cengage Learning. This book may be purchased in a paper or in a digital version from < **eCampus.com** > **web address:** <https://www.cengage.com/c/south-western-federal-taxation-2019-individual-income-taxes-42e-young>

The text Study Guide is also recommended. Students may wish to share a text, if convenient, and Study Guide, but neither is needed in the class room. Ten or more homework assignments will be from the 2019 edition of Hoffman and Smith. A few additional readings may be assigned from **IRS publications: *Your Federal Income Tax*, #17, *The Farmer's Tax Guide*, #225 and *Tax Guide for Small Businesses* #334.** IRS tax forms and publications are available at: www.irs.gov.

Course Description: The course provides an introduction to federal income tax law: the terms (jargon), concepts, and fundamental principles. Tax law, example calculations for individuals and businesses, tax law policy, and tax planning are emphasized. At the completion of this course, students will be expected to understand fundamentals of federal income tax law, recognize exceptions to the tax law, and be able to use this information in the analysis of common situations for U. S citizens: individuals, married couples and small businesses.

Objectives:

1. To develop an understanding of the federal income tax law: for individuals and small businesses and for economic and financial decision making.
2. To gain an understanding of the management opportunities for the income tax law and how they can be applied by individuals, families, and small businesses.
3. To develop the ability to analyze facts for tax law alternatives and to communicate tax planning alternatives.
4. **See the attached list of selected topics and skills to be covered.**

Classes: **Preparation and attendance is mandatory!** Class time is limited for the number of topics to be covered. It is required that you read the text materials before each class. Class time is used to highlight key points, review more difficult concepts and materials, work problems, and to supplement and update reading assignments. Students should be prepared to discuss questions and work problems in class and to answer quiz questions on both assigned and material presented in class. **Questions are welcomed via email and during class.**

Blackboard: Scores on assignments, quizzes and tests results are expected to be posted on Blackboard Learn and posted in a student-folder for individual students and provided in the class room with the return of papers.

Exams & Quizzes: **Numerous quizzes (in any class), two interim exams and a final exam.** Students are not expected to memorize the standard deductions for filing status, personal and dependency exemptions or similar material specific to the tax. There will be several 5-minute quizzes during class. Quizzes missed will affect your attendance score.

Homework: **Homework problems are listed in this syllabus.** Assignments will be turned in at the beginning of class, on the specified due date in the syllabus. Homework must be properly labeled (homework #, name, seat assignment, start page #, problem numbers), be neatly organized and clearly presented.

Show your work (labeled calculations and explanations – similar to examples in the text). For homework or any take-home tests or assignments type (a word processor) or legible handwriting is required. Unprofessional appearing papers will be penalized. For each homework question, repeat only essential data. You need not draft the question. Use 2018 tax rate schedules, standard deductions, personal exemptions for tax year 2018 supplied by the instructor. Be sure to save any computer file copies of homework.

Class Attendance and Participation: Students must attend and participate in class. Some of the homework offers bonus points. During class cell phone use or observing calls or texts are not allowed.

Class Policies:

1. Errors in grading **addition and/or subtraction or recording of grades must be corrected within 2 weeks of their posting on Blackboard.** The instructor reserves the right to re-grade the entire assignment, examination, etc. in the case of disagreement with respect to scoring. Generally, **scores are final once they are posted.**
2. Homework is to be **handed in at the beginning of the designated class period on the table at the front of the classroom.**
3. **Exams should be taken when scheduled.** The only reason for allowing a makeup exam would be an emergency documented to the instructor's satisfaction. It is the student's responsibility to contact the instructor as soon as possible to reschedule this exam. **Makeup exams will tend to be more difficult!**
4. **Email will be used to communicate class information (e. g. corrections and hints on homework assignments). Students are expected to check their Purdue email on a regular basis.**
5. **Academic Integrity** – University policy on academic misconduct is clear – academic dishonesty in any form is strictly prohibited. As a student, you should be familiar with the guide to academic integrity provided by the [Dean of Students Office](#). **Student cheating** will be dealt with on an individual basis. If you cheat, you will be dismissed from this class with a failing grade (F) and you will be reported to the Dean of Students Office for disciplinary action. **Be sure to understand whether smart phones or similar devices are being permitted during a quiz, test or final examination. If you misunderstand, you will be asked to leave the room immediately and will be eligible for a grade of F for that exercise. DO NOT EVER CHEAT!** If you are unsure whether an action constitutes academic dishonesty, seek clarification from the instructor. **Email the instructor with your concerns and questions.**
6. **Special Needs** - If you have a disability that may require academic adjustments, please notify the instructor and comply with university policy that requires all students with disabilities to be registered with [Adaptive Programs](#) in the [Office of the Dean of Students](#) before appropriate accommodations can be provided.

Seating: Students may select a seat which becomes permanent for the semester and will be noted with a photo of the student on a seating chart. Permanent seating assignments are required to facilitate return of student folders with homework and for attendance checks. **Students are expected to be in the assigned seat at the start of every class session.**

IRS Website: For example: www.irs.gov may be searched by publication number, form number, or topic.

Campus Emergency: In the event of a campus emergency, course requirements, deadlines and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances. Information about ongoing on-campus emergencies will be posted at <http://www.purdue.edu>. Local news is available at <http://www.wlfi.com> & <http://www.jconline.com>. Cell phone emergency text messages will be sent to those signed up for them. You can register for this at <http://www.purdue.edu/securepurdue/>.

The Grissom Hall emergency plan is at https://www.purdue.edu/ehps/emergency_preparedness/bep/GRIS-bep.html.

Purdue emergency preparedness information is at https://www.purdue.edu/ehps/emergency_preparedness/

Video guidance for responding to an active shooter is at https://www.youtube.com/watch?v=5mzl_5aj4Vs

For specific information regarding this course, contact Dan Heman at dheman@purdue.edu or Tracy Buck at tbuck08@purdue.edu.

**AGEC 456 - Fall 2018
Class Schedule**

Date	Topics	Text	Homework (Hmk)
Monday, Aug 20	Q&A regarding Syllabus Overview of selected tax forms. Types of taxes	Introduction & Chapter 1 Suggestion: Read the homework selections before or as you read the chapter.	Hmk #1 start on page 1-36 -- 2,7,11, 20, 29, 43, 46, 49 Homework must be labelled, and submitted in the class room when due!
Wed, Aug 22	Quiz in any class!	Chapter 1	
Friday, Aug 24	Working with the Tax Law (Making, Finding and Researching the Tax Law)	Chapter 2	Hmk #2 page 2-34 – 3, 21, 37
Monday, Aug 27	Tax Formula & Tax Determination Overview of Property Transactions	Chapter 3	Hmk #1 Due at the beginning of class.
Wed, Aug 29		Chapter 3	Hmk #3 page 3-43—1, 2, 3, 10, 11, 15, 22, 25, 26
Friday, Aug 31	Gross Income : Concepts & Inclusions	Chapter 4	Hmk #3 due today at the beginning of class.
Monday, Sept 3	LABOR DAY NO CLASS		
Wed, Sept 5		Chapter 4	Hmk #4 page 4-34 – 4, 7, 9, 10, 12, 13, 19, 32
Friday, Sept 7	Gross Income Exclusions	Chapter 5	Hmk #4 due today at the beginning of class.
Monday, Sept 10		Chapter 5	Hmk #5, Page 5-31 – 1, 3, 6, 15, 22, 23, 40
Wed, Sept 12	Deductions and Losses: In General	Chapter 6	Hmk #5 due today at the beginning of class.
Friday, Sept 14		Chapter 6	Hmk #6, Page 6-34 – 2, 3, 6, 9, 11, 15, 16, 20, 27, 42
Monday, Sept 17	Deductions and Losses: Certain Business Expenses	Chapter 7	Hmk #6 due today at the beginning of class.
Wed, Sept 19		Chapter 7	Hmk #7 Page 7-28 – 1, 9, 13, 16, 23, 36
Friday, Sept 21	TEST #1		Hmk #7 due today at the beginning of class.
Monday, Sept 24	Depreciation, Cost Recovery, Amortization, and Depletion	Chapter 8	Hmk. #8, Page 8-37 – 2, 3, 12, 17, 32, 54

Wed, Sept 26		Chapter 8	
Friday, Sept 28	Employee and Self-Employed – Related Expenses	Chapter 9	Hmk #8 due today at the beginning of class.
Monday, Oct 1		Chapter 9	Hmk #9 page 9-46 – 1, 2, 5, 11, 14, 16, 22, &45
Wed, Oct 3	Deductions and Losses: Certain Itemized Deductions	Chapter 10	Homework #9 is due today at the beginning of class.
Friday, Oct 5		Chapter 10	Hmk #10, page 10-31 – 3, 8, 10, 12, 13, 14, 18, 20, 25
Monday, Oct 8	OCTOBER BREAK NO CLASS		
Wed, Oct 10	Investor Losses	Chapter 11	
Friday, Oct 12		Chapter 11	Hmk #10, page 11-28 – 4, 10, 19, 26
Monday, Oct 15	Alternate Minimum Tax	Chapter 12	Hmk #10, page 12-25 – 5, 21
Wed, Oct 17		Chapter 12 & 13	Hmk #10, page 13-36 – 5, 9, 10
Friday, Oct 19	Tax Credits and Payment Procedures	Chapter 13	
Monday, Oct 22	Property Transactions: Gains & Losses and Basis Considerations	Chapter 14	Hmk # 10 is due today at the beginning of class
Wed, Oct 24		Chapter 14	Hmk #11, page 14-24 – 3, 13, 14, 15
Friday, Oct 26	Property Transactions: Nontaxable Exchanges	Chapter 15	Hmk #11, page 15-25 – 3, 5, 8, 9, 15
Mon, Oct 29		Chapter 15	
Wed, Oct 31	Property Transactions: Capital Gains and Losses	Chapter 16	Hmk #11, Page 16-39 - 5, 14, 16
Friday, Nov 2		Chapter 16	Homework #11 is due today at the beginning of class!
Monday, Nov 5	Property Transactions: Sec. 1231 & Recapture Provisions	Chapter 17	Hmk #12, page 17-29 – 3, 5, 19, 20

Wed, Nov 7	Property Transactions: Sec. 1231 &/ Recapture Provisions	Chapter 17	.
Friday, Nov 9	Review for Test #2 (including discuss Hwk page 17-29)		.
Monday, Nov 12	TEST #2		
Wed, Nov 14	Accounting Periods and Methods; such as Cash versus Accrual	Chapter 18	Hmk #12, page 18-39 – 4, 6, 7, 12
Friday, Nov 16	Focus on earlier chapters that might have seemed too rushed	Chapters 1 - 18	Homework #12 is due today at the beginning of class!
Monday, Nov 19	Discuss topics deserving further attention; also collaborative Quiz	Any Chapter	
Wed, Nov 21	THANKSGIVING VACATION NO CLASS		
Friday, Nov 23	THANKSGIVING VACATION NO CLASS		
Monday, Nov 26	Deferred Compensation	Chapter 19	Hmk #13, page 19-40 –1, 8, 10, 22
Wed, Nov 28	Deferred Compensation	Chapter 19	
Friday, Nov 30	Corporations & Partnerships	Chapter 20	Hmk #13, page 20-39 -- 3, 4, 5, 6
Monday, Dec 3	Corporations & Partnerships	Chapter 20	
Wed, Dec 5	Prepare for Final Exam		Homework #13 is due today at the beginning of class!
Friday, Dec 7	Prepare for Final Exam		
Dec 10 - 15	Final Exam Week		Course scoring ends with the final! No alibis!

Components for a Final Grade

	<u>Points</u>	
Homework -10 pts. each*	100	Extra problems & Hmk #11, #12, and #13 are bonus opportunities*
Quizzes , - best 6, 50 pts. each	300	Expect 12 or more quizzes, usually 5 questions each.
Two Tests --125 pts., each	250	
Final Exam	250	
Bonus points are in the numerator not in the denominator.	* --	Bonus points are available on selected homework assignments.
Attendance & Participation (Free)	<u>100</u>	Minus 5 for a late homework, minus 10 points for missed quizzes
Total	1000	(No make-ups without a Med. Doc or Dean's information)

Grade	%	Grade	%	Grade	%	Grade	%	Grade	%
A+	97-100	B+	87-89	C+	77-79	D+	67-69	F	<60
A	94-96	B	84-86	C	74-76	D	64-66		
A-	90-93	B-	80-83	C-	70-73	D-	60-63		

Students need lots of time for AgEc 456 -Tax Law!!

Selected Course Topics

Income tax Planning:

- Tax fundamentals: income, adjustments to income, deductions and credits.
- Tax compliance
- Calculations
- Taxable income
 - Deferred income
 - Ordinary income
 - Capital gain income
 - basis
 - netting gains and losses
- **Alternative business entities:** characteristics and income taxation
- Income taxation for trusts and estates
- Tax minimization techniques
- Special tax circumstances
- Charitable contributions/Schedule A deductions
- Alternate minimum tax
- Tax implications of special circumstances
- Retirement accounts and fringe benefits for employees
 - Employees
 - Independent contractors

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Academic Dates for Fall Semester 2018**

- August 27 – last date to register without a late fee.
- September 3 – last date to cancel a course assignment without appearing on your record.
- September 17 – last date to withdraw with a Grade of W.
- September 17 by 5:00 p.m. – last date to add/modify a course with advisor, instructor and dept. head signatures