The business world needs more tax advisors who understand partnership tax law. Many businesses—large and small—are organized as limited liability companies (LLC), which are normally taxed as partnerships. Thus, issues involving Subchapter K—the part of the Internal Revenue Code that deals with partnerships—routinely arise in practice. But dealing with partnership tax rules is a daunting task. As one U.S. Tax Court judge put it over 50 years ago:

The distressingly complex and confusing nature of the provisions of subchapter K present a formidable obstacle to the comprehension of these provisions without the expenditure of a disproportionate amount of time and effort even by one who is sophisticated in tax matters with many years of experience in the tax field. If there should be any lingering doubt on this matter one has only to reread Section 736 [dealing with payments to retiring partners] in its entirety and give an honest answer to the question whether it is reasonably comprehensible to the average [practitioner] or even to the average tax expert who has not given special attention and extended study to the tax problems of partners. Surely, a statute has not achieved 'simplicity' when its complex provisions may confidently be dealt with by at most only a comparatively small number of specialists who have been initiated into its mysteries.¹

Unfortunately, many partnerships throw up their hands when confronted with the seemingly impenetrable partnership tax rules and practice what several scholars have called “intuitive Subchapter K.”² That is, they intuit an answer rather than researching the actual tax law. Intuitive Subchapter K is dangerous and has no place in a CPA’s or an attorney’s tax practice. In this course, we will devote the necessary “disproportionate amount of time and effort” studying Subchapter K to become “initiated into its mysteries.” Our path will be rugged and dark. But at our journey’s end we will have attained sought-after skills that are useful in the real world of tax practice. And we will learn a lot along the way—about the tax law, about thinking critically in addressing tax and business issues, and about our ability to be resilient. For a glimpse of the road ahead, read on.

¹ Foxman v. Comm’r, 41 T.C. 535, 551 n. 9 (1964).
² See, e.g., Andrea Monroe, Too Big To Fail: The Problem of Partnership Allocations, 30 VA. TAX REV. 465, 469 n. 16 (2011) (citing several scholars who have used the term).
Syllabus Contents

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X. Other Information .................................................................. 21
I. Instructor Contact Information

Instructor: Mark J. Cowan, JD, CPA (Connecticut)
Office: MBEB 3102 (3rd floor, South Wing, near the Dean’s office and Department of Accountancy Chair’s office.)
Telephone: 426-1565
E-mail: markcowan@boisestate.edu

Office Hours: Tuesdays, Wednesdays, and Thursdays 9:00am-11:30am or by appointment

Note #1: I am generally in the office most of the time and can normally meet with you outside of office hours—but it is best to check in advance.

Note #2: Faculty office wings are automatically locked from 5pm-8am. If you are meeting with me during those hours you must call me so I can let you in.

II. Required Course Materials


3) Online Supplemental Readings [Available in PDF on the Blackboard course website under “Course Documents” in the folder “Online Supplemental Readings.”]

Other Resources Available (go to http://library.boisestate.edu/ in the “Articles & Databases” Tab):
- Checkpoint Tax Service
- IntelliConnect (CCH)
- BNA Tax Management Portfolios
- LexisNexis Academic
- Westlaw Campus
- Tax Analysts Web Services (Tax Notes Today)
III. Course Description and Learning Objectives

Course Description (from the course catalog):
Tax meaning of partnership, formation transactions between partner and partnership;
determination and treatment of partnership income; sales and exchanges of partnership
interest; distributions; retirement; death of a partner; drafting the partnership agreement.

Learning Objectives:
At the completion of this course, students will be able to:
1) Identify and explain the tax aspects of forming, operating, selling, and liquidating
an entity classified as a partnership for federal income tax purposes.
2) Read and interpret the Internal Revenue Code and Treasury Regulations to solve
partnership tax problems.
3) Articulate the major tax policy issues relating to the taxation of partnerships and
partners.
4) Appreciate both partnership tax planning and compliance issues.
5) Understand the ethical issues associated with providing professional tax services
in the partnership arena.

IV. Grading

Grading Summary:

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam #1</td>
<td>15%</td>
</tr>
<tr>
<td>Exam #2</td>
<td>15%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>5%</td>
</tr>
<tr>
<td>Tax Return</td>
<td>5%</td>
</tr>
<tr>
<td>Class Participation and Responsibility</td>
<td>5%</td>
</tr>
<tr>
<td>Research Paper (see Part VI, below)</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
Note: Boise State uses a plus/minus grading system. The following chart translates the overall % grade into a letter grade and quality points. I reserve the right to make adjustments as to what percentage qualifies for each letter grade.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Letter Grade</th>
<th>Quality Points Per Credit Hour (GPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>97 and above</td>
<td>A+</td>
<td>4.0</td>
</tr>
<tr>
<td>93-96</td>
<td>A</td>
<td>4.0</td>
</tr>
<tr>
<td>90-92</td>
<td>A-</td>
<td>3.7</td>
</tr>
<tr>
<td>87-89</td>
<td>B+</td>
<td>3.3</td>
</tr>
<tr>
<td>83-86</td>
<td>B</td>
<td>3.0</td>
</tr>
<tr>
<td>80-82</td>
<td>B-</td>
<td>2.7</td>
</tr>
<tr>
<td>77-79</td>
<td>C+</td>
<td>2.3</td>
</tr>
<tr>
<td>73-76</td>
<td>C</td>
<td>2.0</td>
</tr>
<tr>
<td>70-72</td>
<td>C-</td>
<td>1.7</td>
</tr>
<tr>
<td>67-69</td>
<td>D+</td>
<td>1.3</td>
</tr>
<tr>
<td>63-66</td>
<td>D</td>
<td>1.0</td>
</tr>
<tr>
<td>60-62</td>
<td>D-</td>
<td>0.7</td>
</tr>
<tr>
<td>59 and below</td>
<td>F</td>
<td>0.0</td>
</tr>
</tbody>
</table>

**Exams:** We will have two “midterm” exams given during the semester and a comprehensive final exam given during finals week. Each exam will be problem-based but may include other formats such as multiple choice. The exams will be take-home. You may not work with other students on the exams or consult with anyone else. The exams will be held to a very high standard. Your answers must be typed, fully developed, cited to the Internal Revenue Code where applicable, and written clearly. More details on the exams will follow. I reserve the right to change the format of the exam (for example, to an in-class exam) if we encounter any problems with the take-home format.

**Quizzes:** You will do a brief take-home, open book quiz for every major topic that we cover in the course. Quizzes are due after you have done the reading for a topic but BEFORE we have discussed it in class. The idea is to motivate you to read the textbook and the Code before class and to prevent you from falling behind in the readings. **You will take each quiz online via the Blackboard class website** and will get instant feedback. Quizzes will be available on the Blackboard class website at least a week before the due date and will not be available after the start of class period at which they are due. Accordingly, LATE QUIZZES WILL NOT BE ACCEPTED. Please do the quizzes individually—do not get the answers from others. I reserve the right to switch from an online quizzing system to a manual quizzing system if we encounter technical problems with Blackboard. In calculating your grade, one quiz grade will be dropped. This “free” quiz is meant to allow for an emergency or some other reason why you could not complete a particular quiz on time.
**Tax Return:** Both tax planning and tax compliance are important. We will address planning issues through the homework exercises, class discussions, and the exams. We will address compliance issues by doing one fairly simple partnership tax return.

**Class Participation and Responsibility:** This portion of your grade has two components.

1. **In-class behavior.** You are in a profession where professional behavior and courtesy is expected. Professional behavior obviously enhances the learning environment. Any disruption to that environment will reduce your grade. *In particular, two unprofessional activities have become disruptive in recent semesters:*
   - The use of cell phones/tablets/laptops. See the [Policy on the Use of Electronic Devices in Class](#) in Part V, below.
   - Arriving late. We have a lot of material to cover, and thus we will begin class on time (7:30am). *It is very disruptive and distracting when students arrive late.* While I understand circumstances will sometimes require you to be late (bad weather, unexpected car or family issues), I ask that you make every effort to adjust your schedule to ensure your timely arrival. *If it becomes evident that you are arriving late (more than a couple of times), your class participation grade may be reduced.*

2. **Class preparation.** Students are expected to come to every class having completed the reading/homework assignments and prepared to discuss them intelligently. To reduce the stress of preparation and to allow everyone a chance to participate, I will ask a group of you (usually a group of two) to sign up to be the “on call” students for each assignment. When you are on call I may ask you to answer some questions about the reading, tell the class about a court case reprinted in the textbook, and/or explain the answers to the problems we are reviewing during that assignment. To get full credit, you must sign up to be on call and actually be prepared when on call. (The number of times you will need to be on call during the semester will be determined based on the size of the class.) If you are not on call for the day/assignment, I still expect you to be prepared (see more under “Advice for Doing Well” in Part IX, below) and join in the discussion. I reserve the right to try a new system of class participation if the “on-call” system is not working. Such a system may require everyone to be fully prepared for each class.
V. Policy on the Use of Electronic Devices in Class

The study of taxation requires attention to detail and focus. Texting or web surfing during class is rude and will cause you to miss important details and concepts. Also, employers have told me they are having problems with new graduates texting, web surfing, Facebooking, etc. when they should be working. Some of these employees have been fired for such behavior.

Technological distractions are not a “college student problem” or a “millennial generation problem.” The issue affects us all. I routinely see distracting technology use by faculty members and business professionals in meetings and at conferences. Furthermore, I realize you are all adults and are capable of making your own decisions about whether technology use during class is a good or bad thing for you personally. The concern I have is that when one student opts to use technology in class it distracts those around them (including the instructor)—which makes the classroom less conducive to learning. A professor at the Massachusetts Institute of Technology put it this way:

A lot is at stake. Where we put our attention is not only how we decide what we will learn, it is how we show what we value….In classrooms, the distracted are a distraction: Studies show that when students are in class multitasking on laptops, everyone around them learns less. Distraction is contagious. One college senior says, "I'll be in a great lecture and look over and see someone shopping for shoes and think to myself, ‘Are you kidding me?’ So I get mad at them, but then I get mad at myself for being self-righteous. But after I’ve gone through my cycle of indignation to self-hate, I realize that I have missed a minute of the lecture, and then I’m really mad."

Even for those who don’t get stirred up, when your classmates are checking their mail or Amazon, it sends two signals: This class is boring, and you have permission to check out — you, too, are free to do other things online.  

The use of smartphones is just as distracting—for both students and the instructor. As a professor at the Rochester Institute of Technology put it:

I could not bear to look at one more student smiling at his or her crotch — the universally preferred location to keep one’s phone for "surreptitious" texting. (Note to students: If you’re smiling in that direction, your attempts at stealth are going to get noticed.)

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4 Hinda Mandell, No Phones, Please, This Is a Communications Class, THE CHRONICLE OF HIGHER EDUCATION, July 6, 2015.
Recent research has shown that even legitimate uses of technology in the classroom—like to take notes—is counterproductive. Consider the following abstract of a study done by researchers at Princeton and UCLA:

Taking notes on laptops rather than in longhand is increasingly common. Many researchers have suggested that laptop note taking is less effective than longhand note taking for learning. Prior studies have primarily focused on students’ capacity for multitasking and distraction when using laptops. The present research suggests that even when laptops are used solely to take notes, they may still be impairing learning because their use results in shallower processing. In three studies, we found that students who took notes on laptops performed worse on conceptual questions than students who took notes longhand. We show that whereas taking more notes can be beneficial, laptop note takers’ tendency to transcribe lectures verbatim rather than processing information and reframing it in their own words is detrimental to learning.5

For the above reasons, some law schools and business schools—including Harvard Business School—have banned technology from many of their classrooms. I have decided to follow this example and prohibit student use of technology in the classroom:

POLICY ON ELECTRONIC DEVICES IN CLASS:
In the absence of a pre-approved emergency situation, all electronic devices including, but not limited to, cell phones, smart phones, tablets, smart watches, and laptops must be turned off and put away during class. Student violating this policy will experience the following consequences:

First-time violation: A warning.

Second-time violation: Class participation grade reduced to zero.

Subsequent violations: Course grades further reduced in increments of 5 points (out of 100) for each violation.

Exceptions: If you get permission from me for a compelling reason (e.g. you are the “on call” parent for your kids, a family member is ill or about to go into labor, etc.) You must let me know in advance if you have these situations and keep your phone on vibrate. Exceptions will also be granted for students with technology-related accommodations approved by the Educational Access Center.

I understand that this may be frustrating for some of you, but since I have adopted this policy I have found that students are able to be more engaged in class. Thanks for your cooperation!

VI.  Research Paper Details

You will work in groups\textsuperscript{6} to research a partnership tax topic of interest. You will then turn in a 7-12ish page paper on the topic. Papers will be graded based on content and clarity of writing. To encourage you to work on the paper throughout the semester (rather than just at the end), a few interim deadlines have been established:

- \textit{Thursday, Sept. 14\textsuperscript{th}:} Deadline for picking a topic and having it approved by me. The topic must be at least tangentially related to partnership tax law and cannot encompass a general topic we are already covering as part of the course. Further, you cannot pick a topic which you have already researched for another class. Try to pick a topic you expect to be useful to you on the job currently or in the future. \textit{A list of suggested topics is provided below.}

- \textit{Week of Tuesday, Oct. 10\textsuperscript{th}:} Each group must have a draft outline and a list of sources prepared. During this week, each group will meet with me to review their outline and source list.

- \textit{Thursday, Nov. 9\textsuperscript{th}:} Draft paper due for peer review. Bring copies of your paper to class for review by another group in the class—to be assigned by me. (I’ll let you know in advance the number of copies to bring to class; it will be based on group size). Each group will be required to review their assigned paper and provide comments.

- \textit{Thursday, Nov. 16\textsuperscript{th}:} Second Draft Due (updated based on the peer review). I will read the papers over Thanksgiving and give each group comments.

- \textit{Thursday, Dec. 7\textsuperscript{th}:} Final Papers Due.

Failure to meet these deadlines without prior approval may result in a reduction in your paper grade. Turning in deficient outlines, source lists, or drafts may also result in a reduction in your grade. The purpose of the draft requirement is to provide timely feedback on your writing instead of just relying on an end-of-semester submission.

---

\textsuperscript{6} You must work in a group. The number of students in each group will be based on enrollment and announced in class. If it turns out that a group ends up with more students than “standard,” the paper from that group should be longer and more in-depth.
Paper Topic Ideas

Topics should be cleared in advance with me no later than Thursday, Sept. 14th. The topic must be at least tangentially related to partnership tax law and cannot encompass a general topic we are already covering as part of the course. Further, the topic cannot be one that you researched for another course. Some examples of topic ideas are listed below:

The application of the self-employment tax to LLC members

The taxation of Real Estate Investment Trusts (REITs)

Application of Section 108 (on income from the discharge of indebtedness) when partnership debt is cancelled

The New Partnership Audit Procedures

Family Limited Partnerships

State taxation of partnership income

The “Carried Interest” Debate

Tax Reform Proposals for Pass-Thru Entities

Detailed Review of the Impact of Section 1411 (3.8% investment tax) on Partnerships and Partners

The use of “Series LLCs”

The use of the “Up-C” Partnership Structure as an alternative to an Initial Public Offering (IPO)

VII. Homework Assignments and Tentative Schedule

The tentative schedule of topics to be covered and specific homework assignments are listed on the pages that follow. It is important that you read both the textbook and Code sections/regulations that have been assigned and make a good-faith effort to complete the problems in each chapter. These problems will not be collected but students will be expected to discuss them in class (see above under class participation). As noted above, most assignments include a take home quiz, which must be completed online (via Blackboard) by the start of the class on which the assignment is due. As the semester progresses, I may add additional assignments and/or eliminate specific problems, cases, or other portions of a particular chapter. I will announce all such changes in class and on Blackboard.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment Due (See details of each Assignment in Part VIII, below)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, Aug. 22</td>
<td>Introduction to the Course</td>
<td>“Pre-Course Assessment of Basic Tax Law Knowledge” Due</td>
</tr>
<tr>
<td>Thursday, Aug. 24</td>
<td>Review of Tax Fundamentals (e.g., basis, capital gains, etc.)</td>
<td>Warm-Up Assignment</td>
</tr>
<tr>
<td>Tuesday, Aug. 29</td>
<td>An Overview of the Taxation of Partnerships and Partners</td>
<td>Chapter 1 Assignment</td>
</tr>
<tr>
<td>Thursday, Aug. 31</td>
<td>An Overview of the Taxation of Partnerships and Partners (finish)</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Sept. 5</td>
<td>Formation of a Partnership : Basics</td>
<td>Chapter 2 (Assignment 1 of 2)</td>
</tr>
<tr>
<td>Thursday, Sept. 7</td>
<td>Formation of a Partnership: Treatment of Liabilities</td>
<td>Chapter 2 (Assignment 2 of 2)</td>
</tr>
<tr>
<td>Tuesday, Sept. 12</td>
<td>Formation of a Partnership: Contributions of Services</td>
<td>Chapter 7 (Assignment 1 of 2)</td>
</tr>
<tr>
<td>Thursday, Sept. 14</td>
<td>Formation of a Partnership (finish)</td>
<td>DEADLINE FOR APPROVAL OF PAPER TOPIC</td>
</tr>
<tr>
<td>Tuesday, Sept. 19</td>
<td>Operations of a Partnership: General Rules</td>
<td>Chapter 3 (Assignment 1 of 2)</td>
</tr>
<tr>
<td>Thursday, Sept. 21</td>
<td>Operations of a Partnership: General Rules</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Sept. 26</td>
<td>Operations of a Partnership: Loss Limitations</td>
<td>Chapter 3 (Assignment 2 of 2)</td>
</tr>
<tr>
<td>Thursday, Sept. 28</td>
<td>Catch-up</td>
<td>Distribute EXAM #1 (Chapters 1-3 and Assignment 1 of Chapter 7)</td>
</tr>
<tr>
<td>Date</td>
<td>Topic</td>
<td>Assignment/Due Date</td>
</tr>
<tr>
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<td>---------------------------------------------</td>
</tr>
<tr>
<td>Tuesday, Oct. 3</td>
<td>Partnership Allocations: Special Allocations Under Section 704(b) (Overview)</td>
<td>EXAM#1 DUE</td>
</tr>
<tr>
<td>Thursday, Oct. 5</td>
<td>Partnership Allocations: Special Allocations Under Section 704(b) (Economic Effect)</td>
<td>Chapter 4 (Assignment 1 of 3)</td>
</tr>
<tr>
<td>Tuesday, Oct. 10</td>
<td>Partnership Allocations: Special Allocations Under Section 704(b) (Substantiality)</td>
<td>Chapter 4 (Assignment 2 of 3) OUTLINES FOR PAPER AND SOURCE LIST DUE7</td>
</tr>
<tr>
<td>Thursday, Oct. 12</td>
<td>Partnership Allocations: Nonrecourse Deductions</td>
<td>Chapter 4 (Assignment 3 of 3)</td>
</tr>
<tr>
<td>Tuesday, Oct. 17</td>
<td>Partnership Allocations: Nonrecourse Deductions</td>
<td></td>
</tr>
<tr>
<td>Thursday, Oct. 19</td>
<td>Partnership Allocations: Allocations with Respect to Contributed Property</td>
<td>TAX RETURN DUE Chapter 5 Assignment</td>
</tr>
<tr>
<td>Tuesday, Oct. 24</td>
<td>Partnership Allocations: Allocations with Respect to Contributed Property</td>
<td></td>
</tr>
<tr>
<td>Thursday, Oct. 26</td>
<td>Catch-up Compensating the Service Partner (Start if time) Distribute EXAM #2 (Covers all work to date; but focuses primarily on Chapters 4 and 5)</td>
<td>Chapter 7 (Assignment 2 of 2)</td>
</tr>
<tr>
<td>Tuesday, Oct. 31</td>
<td>Compensating the Service Partner Discussion of Partnership Agreements</td>
<td>EXAM #2 DUE</td>
</tr>
<tr>
<td>Thursday, Nov. 2</td>
<td>Property Transactions Between Partners and Partnerships</td>
<td>Chapter 8 Assignment</td>
</tr>
<tr>
<td>Tuesday, Nov. 7</td>
<td>Sales and Exchanges of Interests: Overview and Seller Side</td>
<td>Chapter 9 (Assignment 1 of 2)</td>
</tr>
</tbody>
</table>

7 These will be discussed in meetings (to be scheduled at some point this week) between me and each group individually. The outline and source lists are not due in class; they are due at your scheduled meeting.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment/Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday, Nov. 9</td>
<td>Sales and Exchanges of Interests: Overview and Seller Side Peer Review of Papers</td>
<td>DRAFT VERSION OF PAPER DUE: Bring copies of your papers to class for Peer Review</td>
</tr>
<tr>
<td>Tuesday, Nov. 14</td>
<td>Sales and Exchanges of Interests: Buyer Side</td>
<td>Chapter 9 (Assignment 2 of 2)</td>
</tr>
<tr>
<td>Thursday, Nov. 16</td>
<td>Operating Distributions: Basics</td>
<td>Chapter 10 (Assignment 1 of 3) 2nd DRAFT VERSION OF PAPER DUE</td>
</tr>
<tr>
<td>Tuesday, Nov. 21</td>
<td>THANKSGIVING HOLIDAY—NO CLASS</td>
<td></td>
</tr>
<tr>
<td>Thursday, Nov. 23</td>
<td>THANKSGIVING HOLIDAY—NO CLASS</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Nov. 28</td>
<td>Operating Distributions: Section 754 Elections and Mixing Bowls</td>
<td>Chapter 10 (Assignment 2 of 3)</td>
</tr>
<tr>
<td>Thursday, Nov. 30</td>
<td>Operating Distributions: Disproportionate Distributions</td>
<td>Chapter 10 (Assignment 3 of 3)</td>
</tr>
<tr>
<td>Tuesday, Dec. 5</td>
<td>Operating Distributions: Disproportionate Distributions Liquidating Distributions (Reader’s Digest Version)</td>
<td>Chapter 11 Assignment</td>
</tr>
<tr>
<td>Thursday, Dec. 7</td>
<td>Liquidating Distributions (Reader’s Digest Version) Course Wrap-Up</td>
<td>FINAL VERSION OF PAPER DUE</td>
</tr>
<tr>
<td></td>
<td>Distribute Final Exam (Covers the entire course with special focus on Chapter 7 Assignment 2 and Chapters 8-11)</td>
<td></td>
</tr>
<tr>
<td>Wednesday, Dec. 13</td>
<td>FINAL EXAM DUE in MBEB 3102 by 9:00 a.m.</td>
<td></td>
</tr>
</tbody>
</table>
VIII. Specific Assignments

The following sets forth the specific homework that you should complete prior to the date assigned in the syllabus. Chapter and page references are to the textbook; Code and Regulation sections are in the Code book. Any Online Supplemental Readings are noted.

Note #1: I have generally not asked you to read the examples in the regulations. You may find it helpful to look over some of the examples in the regulations, however, if you are having trouble working the problems in the book. This is particularly true with respect to the regulations under Section 704(b) reviewed in Chapter 4.

Note #2: Occasionally, the problems in the book may direct you to some Code section or regulation that is not in the Code book and that was not handed out in class. If you encounter this situation, please look up the code or regulation section on IntelliConnect, Checkpoint (RIA), etc. so you can complete the problem.

Warm-Up: Review of Tax Fundamentals
1) Read §§ 1001, 1011, 1012, 1014(a), 1015(a), 1016(a)(1)&(2), 1031, 1221(a)
2) Skim §§ 1231, 1245, 1250, 1411 (Online Supplemental Readings)
3) Read “Sources of the Law” (Online Supplemental Readings) [Note: This is a handy introduction to the sources of tax law that I found in a book on nonprofit taxation. You can ignore any discussion of tax exempt organizations referenced in the handout; most of the sources of law discussed are important for partnership taxation. If you have taken a tax research class, view this as a quick refresher.]
4) Read “Finding Code Sections” (Online Supplemental Readings). Please follow the directions given to take the Checkpoint tax service out for a test drive. This will help you in looking up Code and Reg. sections when you need to.
5) There is no quiz for this assignment.

Chapter 1: An Overview of the Taxation of Partnerships and Partners
1) Read the entire chapter and try to work all problems
2) Read § 761(a)
3) Skim Reg. §§ 301.7701-1, 2, & 3(a)-(c) [Found near the back of the Code book]
4) Read “Joint Committee on Taxation ‘Choice of Entity’ Report” through page 17; skip the remainder of the document (Online Supplemental Readings)
5) Read “Gingrich-Edwards Loophole” (Online Supplemental Readings)
6) Complete the Chapter 1 Quiz
Chapter 2:
Formation of a Partnership
Assignment 1 of 2 (Basics)

1) Read page 31-bottom of page 45 and try to work all problems contained therein
2) Read §§ 721, 722, 723, 724, 1223(1) & (2)
3) Read Reg. §§ 1.721-1(a)-(b), 1.722-1, 1.723-1
4) Skim §§ 704(b), 704(c)
5) Complete the Chapter 2/Assignment #1 Quiz

Chapter 2:
Formation of a Partnership
Assignment 2 of 2 (Treatment of Liabilities)

1) Read bottom of page 45-page 55 and try to work all problems contained therein
2) Read §§ 709, 752
3) Skim Reg. §§ 1.709-1, 1.709-2, 1.752-1, 1.752-2(a) & (b)
4) Complete the Chapter 2/Assignment #2 Quiz

Chapter 7: 8
Compensating the Service Partner
Assignment 1 of 2 (Contribution of Services)

1) Read bottom of page 232-middle of page 243 (skip the Hale case) and middle of page 244-middle of page 256 and try to work all problems contained therein.
2) Skim § 83(a)-(c)
3) Complete the Chapter 7/Assignment #1 Quiz

Chapter 3:
Operations of a Partnership: General Rules
Assignment 1 of 2 (Basics)

1) Read page 57-middle of page 62. Skip middle of page 62-middle of page 73. Read middle of page 73-bottom of page 80 and try to work all problems contained therein.
2) Read §§ 701, 702, 703, 704(a), 705, 706(a)-(c)
3) Read Reg. §§ 1.702-1, 1.706-1(a) & (b)
4) Read the “Singhal Case” (Online Supplemental Readings)
5) Skim Form 1065 & Sch. K-1 (Online Supplemental Readings) [The instructions for Form 1065 and Sch. K-1 are also posted, but reviewing them is optional.]
6) Complete the Chapter 3/Assignment #1 Quiz

8 Note: We are skipping ahead to a portion of Chapter 7 to complete our study of partnership formations. We will cover the remainder of Chapter 7 (Chapter 7, Assignment 2 of 2) later in the semester.
Chapter 3:
Operations of a Partnership: General Rules
Assignment 2 of 2 (Loss Limitations)
1) Read bottom of page 80-page 94 and try to work all problems contained therein, but SKIP parts (g) and (h) of Problem 1 on page 93.
2) Read § 704(d)
3) Skim §§ 49, 465, 469 (Online Supplemental Readings)
4) Skim Reg. § 1.469-5T (Online Supplemental Readings)
5) Read “Proposed Regulations for LLC Interests and the Passive Loss Rules” [These address some current “hot” issues in practice but keep in mind they are only proposed regulations—and therefore not “the law” at this time.]
6) Complete the Chapter 3/Assignment #2 Quiz

Chapter 4:
Partnership Allocations
Assignment 1 of 3 (Economic Effect)
2) Read §§ 704(a), 704(b)
3) Read Reg. §§ 1.704-1(a); 1.704-1(b)(1)(i) & (iii); 1.704-1(b)(2)(i), (ii) & (iv)(a)-(b)
4) Complete Chapter 4/Assignment #1 Quiz

Chapter 4:
Partnership Allocations
Assignment 2 of 3 (Substantiality)
1) Read middle of page 118-top of page 125. Skip middle of page 125-middle of page 130. Read middle of page 131-middle of page 136 and try to work all problems contained therein.
2) Read Reg. § 1.704-1(b)(2)(iii); 1.704-1(b)(3)--Starts on page 533 of the Code book
3) Complete Chapter 4/Assignment #2 Quiz

Chapter 4:
Partnership Allocations
Assignment 3 of 3 (Nonrecourse Deductions)
1) Read middle of page 136-page 151 and try to work all problems contained therein.
2) Read Reg. §1.704-2(b)-(f)(6), (g) & (j)(2)
3) Complete Chapter 4/Assignment #3 Quiz
Chapter 5:  
**Partnership Allocations: Allocations with Respect to Contributed Property**  
1) Read page 153-middle of page 172 and try to work all problems contained therein. Skip the rest of the chapter.  
2) Read §§ 704(c)(1), 724  
3) Read Reg. §§ 1.704-3(a)(1)-(6) & (10); 1.704-3(b)(1); 1.704-3(c)(1)-(3); 1.704-3(d)(1)-(5)  
4) **Complete Chapter 5 Quiz**  

Chapter 7:  
**Compensating the Service Partner**  
**Assignment 2 of 2**  
1) Read page 207-middle of 209. Skip the *Pratt* case on middle of page 209-middle of page 210. Read middle of page 210-middle of 223 and try to work all problems contained therein. Skip middle of page 223-bottom of page 229.  
2) Read bottom of page 229-bottom of page 232. On the problems that start on page 231, do only Problem 4 [i.e., skip Problems 1, 2, & 3].  
3) Read the top of page 259-page 262.  
4) Read §§ 707(a) & (c); 267(a)(2) & (e)(1) & (2)  
5) Read Reg. § 1.707-1(a) & (c)  
6) **Complete Chapter 7/Assignment #2 Quiz**  

Chapter 8:  
**Property Transactions Between Partners and Partnerships**  
1) Read page 263-page 282 and try to work all the problems therein; but on the problems that start on page 281, do only Problem 2 [i.e., skip Problems 1 & 3]  
2) Read §§ 267(a)(1) & (d); 707(b); 1239(a)-(c)  
3) Skim Reg. §§ 1.707-3(a)-(d); 1.707-4(a) & (b); 1.707-5(a)(1), (6), & (7)  
4) **Complete Chapter 8 Quiz**  

Chapter 9:  
**Sales and Exchanges of Partnership Interests**  
**Assignment 1 of 2 (Overview and Seller Side)**  
2) Read §§ 741; 751(a), (c), & (d); 706(c); 708  
3) Skim Reg. § 1.751-1(a), (c)(1), & (d)(2)  
4) **Complete Chapter 9/Assignment #1 Quiz**
Chapter 9:  
Sales and Exchanges of Partnership Interests  
Assignment 2 of 2 (Buyer Side)  
1) Read middle of page 307-page 317 and try to work all problems contained therein but you can skip part (c) of Problem 2 and Problem 3 on page 317.  
2) Read §§ 742, 743(a)-(d), 754, 755(a)-(b)  
3) Skim Reg. §§ 1.755-1(a)(1)-(5); 1.755-1(b)(1)-(3)  
4) Complete Chapter 9/Assignment #2 Quiz  

Chapter 10:  
Operating Distributions  
Assignment 1 of 3 (Basics)  
1) Read page 319-page 331 and try to work the problems contained therein. Skip Problem 3 on page 332.  
2) Read §§ 731(a) & (b), 732(a)-(e), 733  
3) Skim Reg. §§ 1.731-1, 1.732-1(a)-(c)  
4) Complete Chapter 10/Assignment #1 Quiz  

Chapter 10:  
Operating Distributions  
Assignment 2 of 3 (754 Elections and Mixing Bowls)  
1) Read middle of page 332- middle of page 346 and try to work the problems contained therein; but skip Problem 2 on page 335 and skip parts (e),(f), and (g) on the Problem on pages 345-346.  
2) Read §§ 704(c)(1)(B), 734, 735, 737  
3) Skim Reg. § 1.734-1  
4) Complete Chapter 10/Assignment #2 Quiz  

Chapter 10:  
Operating Distributions  
Assignment 3 of 3 (Disproportionate Distributions)  
1) Read middle of page 346- middle of page 353, skip the middle of page 356 (starting with “proposed regulations”) -top of page 359, and, while maintaining your sanity, try to work the problems on pages 359-360; but skip Problems 1(b), 3, & 5 on pages 359-360.  
2) Read § 751(b)  
3) Skim Reg. § 1.751-1(b) & (d)(1)  
4) Complete Chapter 10/Assignment #3 Quiz
Chapter 11:
Liquidating Distributions
(Reader’s Digest Version)


2) On page 385, do Problem 1, part (b) only. Skip the rest of the problems on pages 385-386. Skip page the rest of the chapter.

3) Watch the “KPMG Video” (Online Supplemental Readings). This video highlights how some of the issues we studied this semester come up in the real world of tax consulting.

4) Read §§ 708, 736

5) Complete Chapter 11 Quiz

The Mission and Core Values of the College of Business and Economics:
Our dream is to be a collaborative, engaged and dynamic community of learners. We inspire our students and colleagues to achieve their full potential by creating and sharing relevant knowledge, skills and experiences for the benefit of local and global communities. We value:

Relevance: We address important business and societal issues by being effective, innovative and risk-tolerant. Our effectiveness is based on rigorous teaching and research and a commitment to life-long learning and community engagement.

Respect: We strive to be an inclusive, collegial community that values all forms of diversity. We are committed to integrity and ethical behavior in all that we do.

Responsibility: We foster an environment that empowers students, staff and faculty. We are dedicated to accountability, transparency and fairness.
IX. Advice for Doing Well

“The things which hurt, instruct.”—Ben Franklin

Partnership tax is a difficult subject. You will need to put a lot of time into both preparing for class and reviewing after class. I suggest using a three-step process to succeed in this class:

1) **Immersion:** Read the assigned materials before class, complete the quiz and work through any problems assigned. This stage will be frustrating, since the material is at times difficult and will be new to you. Immersion, however, is necessary to enable you to get the most out of our class meetings. When we review homework problems in class, for example, we will go over them quickly because I will assume you have read them and tried to work them prior to class. Therefore, the immersion stage is critical. Note: the level of required preparation will depend on whether you are on call. See more details below.

2) **Participation:** Come to class, pay attention, take good notes, and ask any questions that you may have. A lot of the material on exams is based on class discussions. Like with many accounting courses, the material in ACCT 525 often builds on itself. If you miss class, you not only miss the material covered on that day but also the foundation knowledge necessary to understand related topics that come later in the course.

3) **Assimilation:** Review your class notes and homework problems after we have gone over them and see me with any questions you may have. You should do this within a few days after each class. We will cover the material thoroughly in class, but we only have the opportunity to cover the material once. We do not have the luxury of reviewing the material over and over. Therefore, it is critical that you keep up with the material and review and ask questions as we go. The key for success in this class is keeping up with the material throughout the semester. **DO NOT WAIT UNTIL YOU GET THE EXAM TO LEARN THE MATERIAL!**

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9 Partially inspired by, and roughly adapted from James Edward Maule’s July 2009 “Student Focus” blog postings, which give advice to law students on studying basic tax. Basically, I have taken advice I have given in the past to accounting students on studying for tax courses and have roughly reorganized them using Maule’s terminology.
Your approach to the three-step process (especially at the immersion stage) will depend on whether you are on call:

**For days that you are on call:** Do all aspects of the assignment, read all the assigned readings thoroughly, work all the assigned problems until you have mastered them, prepare the assigned quiz, and come to class prepared to discuss the details of the readings, cases, problems, etc. assigned. Note: If you run into any problems while preparing for your on call days, you may of course come see me for assistance. After class, review the lecture outlines, any problems you missed, etc. and see me with any questions.

**For days that you are NOT on call:** Read the assignment carefully, complete the quiz, and make a good-faith effort to work through the problems. If you get stuck on the problems, don’t waste time spinning your wheels. But you should know the facts of the problems and should have at least attempted to come up with the answers prior to class. You will not be able to keep up with the class discussion if you have not done this. Come to class and then spend time AFTER class reviewing the lecture outlines, the problems you missed, etc. Then come to me for additional help if needed. You should do a thorough review of the class material right after we cover it—do not wait until exam time to address your problem areas.

X. **Other Information**

**Important Dates:**
- Last day to apply for December graduation: Friday, August 25th
- Last day to drop without a “W”: Friday, September 1st
- Last day to drop with a “W”: Friday, October 27th

**Class Website:**
We will be using Blackboard in this course. It will be used to post all documents, make announcements, and (as noted above) for online quizzes. I will also post announcements on jobs, professional events, scholarships, etc. as I get them. All students should gain access to Blackboard and the class website on Blackboard. For more information, log on to Blackboard via the myBoiseState portal. Use your myBoiseState ID and password to get into the system. Students are responsible for checking the class website for important announcements (e.g., cancellation of class, changes in assignments, etc.).

**Emails:**
I will sometimes email you important information via Blackboard’s “Send Email” function. This should send the email to your Boise State email account. You are responsible for frequently checking your Boise State email account for these messages even if you otherwise correspond with me via another email account.
Reminder of Policy on Academic Integrity:
You are encouraged to become familiar with the University’s policy on academic integrity found in the Student Code of Conduct. The policy is summarized here: https://deanofstudents.boisestate.edu/academic-integrity/. The content of the Code applies to this course. If you are in doubt regarding the requirements, please consult with me before you complete any requirements of the course. In accordance with Boise State University policy, any instance of dishonesty in the class may result in a failing grade for the course. Cheating or plagiarizing on a particular assignment may result in a grade of zero for that assignment.

Right to Request Reasonable Accommodations:
Students with disabilities needing accommodations to fully participate in this class should contact the Educational Access Center (EAC). All accommodations must be approved through the EAC prior to being implemented. To learn more about the accommodation process, visit the EAC’s website at https://eac.boisestate.edu/new-eac-students/.

Policy on Late Assignments:
Late assignments are only accepted at the discretion of the instructor and generally require a compelling reason. Points may be deducted for assignments that are allowed to be turned in late.

Lecture Materials:
To save you time in taking notes, most lecture material will be provided in Word outlines. The outlines omit certain answers to examples, key phrases, etc. that you will need to fill in as we review the material in class. Lecture outlines will be available on the class website in the event that you miss class. However, such outlines will not include the answers to the examples, key phrases, etc. that were filled-in during class.

Note on Course Materials:
Materials provided or generated in this course, including (but not limited to) handouts, notes, exams, quizzes, projects, homework answer keys, etc. are for your own personal use and reference. You are not to pass them on to others, including future students. Passing course materials on to others would (in some cases) violate copyright agreements. More importantly, such materials would have a negative impact on the recipient’s learning process and performance in the course. First, the law is always changing, often in subtle but important ways. Second, topics emphasized and tested in the course change from semester to semester as the business world changes. Third, and most importantly, when students use old course materials for reference they are prevented from doing the thinking and struggling with the material necessary to truly learn. Accordingly, such students will not do well on the exams. For these same reasons, you are not to refer to any course materials received from former students or other sources (such as homework answer keys from the publisher). Doing so would negatively affect your performance and significantly disrupt the learning process.
Reminder on Boise State’s Statement of Shared Values:
All members of the campus community are expected to adhere to Boise State’s Statement of Shared Values (adopted Spring 2007). The common values are Academic Excellence, Caring, Citizenship, Fairness, Respect, Responsibility, and Trustworthiness. See http://academics.boisestate.edu/facultyombuds/files/2009/02/sharedvaluesstatement3.pdf

College of Business and Economics Core:
This course addresses the following parts of the College of Business and Economics Core Curriculum Learning Goals:
1. Analytical and Disciplinary Concepts and Methods
   1.1. Accounting
   1.7. Legal environment
2. General Management Knowledge/Ability
   2.1. Written Communication
3. Problem Solving

Accountancy Department Statement
We provide a high-quality educational experience through student-centered teaching, impactful research, and meaningful service that benefits and challenges students, the accounting profession, the business community, and the community at large. Consistent with COBE’s values we develop well-rounded professionals by:

1. delivering rigorous curriculum
2. engaging in relevant research and other scholarly endeavors
3. encouraging life-long learning
4. fostering a culture of service