“The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite....The powers reserved to the several States will extend to all objects which, in the ordinary course of affairs, concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the State.”

—THE FEDERALIST NO. 45 (James Madison, writing under the name Publius).

**Why study multistate taxation?** Consider the following excerpts from David Brunori, *Teaching State and Local Tax* . . ., *STATE TAX NOTES*, June 2, 2008 (emphasis added):

Corporations now pay more in total state and local taxes than they do in federal taxes. The increased costs of doing business resulting from state taxes have prompted corporations to pay closer attention to state tax planning. ***At the same time, state tax agencies, ever in need of revenue, have become more aggressive in audits and collections.*** Besides providing job opportunities and benefiting the profession, there is another reason for adding state and local taxation to the curriculum. **It is a fascinating subject to study. It involves thinking about the convergence of such diverse subjects as substantive tax, constitutional law, and business planning.***

Constitutional limitations on state tax authority are, of course, an important part of the study of state taxation. And that aspect of the field provides a rich environment in which to study. It involves more than knowing the definition of substantial nexus. **It requires an understanding of how and why states compete. It requires thinking about how business takes advantage of the limitations on state taxing authority. It requires thinking about Congress's role in regulating the economy and the relationship of that role to the basic concepts of federalism.**

More importantly, the study of state taxation involves an interdisciplinary approach that encompasses business, politics, and economics. One cannot know state taxation without a fundamental understanding of business operation[s], the revenue needs of government, and the political influences on tax policy. The effects of state taxation on real-world events constitute an important, and provocative, aspect of study in the field. In short, **state and local tax law can provide . . . students with immense intellectual challenges. Regardless of whether they ever practice in the field, their . . . education will be enhanced by the effort.**

The following sets forth how we will face the “immense intellectual challenges” of the “fascinating subject” of multistate taxation.
Syllabus Contents

I. Instructor Contact Information ............................................... 3

II. Required Course Materials ..................................................... 3

III. Course Description and Learning Objectives ......................... 4

IV. Grading ................................................................................... 5

V. Policy on the Use of Electronic Devices in Class ................. 7

VI. Adopt-a-State Project Details ................................................. 9

VII. Homework Assignments & Tentative Schedule .................. 10

VIII. Specific Assignments .......................................................... 14

IX. Advice for Doing Well .......................................................... 22

X. Other Information ................................................................... 23
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, & 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


2) 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)
- LexisNexis Academic
- Westlaw Campus
- Tax Analysts Web Services (State Tax Notes)
III. Course Description and Learning Objectives

Course Description (from the course catalog):
State income tax issues and sales and use tax issues with a special focus on issues faced by multistate taxpayers.

Learning Objectives:
At the completion of this course, students will be able to:
1) Articulate the rationale and the logic behind our system of multistate taxation including the political, administrative, and judicial processes that shape the law.
2) Identify the various sources of state tax law and read and interpret state tax codes and U.S. Supreme Court cases.
3) Understand and work with our constitutional system of federalism; specifically the interaction of the state and federal governments in developing the tax rules that govern multistate businesses.
4) Address problems associated with common state taxes, including the income/franchise tax and the sales/use tax.
5) Independently research common state tax issues that arise in practice, such as nexus and allocation/apportionment issues.
6) Understand common state tax planning techniques.

This course is different from other tax courses you may have taken in the graduate program. In other courses, you may review the Internal Revenue Code or other sources in class to arrive at THE definitive tax answer for a particular fact pattern. In this class, we cannot conduct an in-depth study of the specific provisions of the tax codes of all 50 states. Thus, our focus in class is on the GENERAL RULES that apply to taxpayers engaged in multistate businesses. Because of this, you won’t come away with THE answer for any given fact pattern for a specific state. Instead, you will come away with an understanding of how states in general tax the transaction you are dealing with. You will then be able to look up the specific version of the rule that applies in the state(s) in which your client is doing business.

We will be reading a lot of court cases in this class and at times this will feel like a law school course. This is by design. Most of the law on what states can and cannot tax is derived from U.S. Supreme Court cases. You cannot have a working knowledge of multistate taxation unless you have read and understand these cases. The idea is to get you to THINK about state tax issues and establish a reference point/framework from which you can then research state-specific tax issues that arise in practice. (See the “adopt-a-state” project details below). While it may seem at times like we are covering a lot of theory, in reality we are building the base of knowledge and the (very marketable!) skills necessary to attack state tax problems in an intelligent manner.
IV. Grading

Grading Summary:

<table>
<thead>
<tr>
<th>Grading Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>5%</td>
</tr>
<tr>
<td>Tax Returns</td>
<td>10%</td>
</tr>
<tr>
<td>Class Participation &amp; Responsibility</td>
<td>5%</td>
</tr>
<tr>
<td>Adopt-a-State Project—Discussion Board Work (See Part VI, below)</td>
<td>10%</td>
</tr>
<tr>
<td>Adopt-a-State Project—Idaho Memos (See Part VI, below)</td>
<td>10%</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: The two exams (midterm and final) will be part multiple choice and part problems/essays. The final exam will cover the entire course, but will focus heavily on the material covered since the midterm. All exams will be take-home. You may not work with other students on the exams or consult with anyone else. Because the exams are take-home, they will be held to a very high standard. Your answers must be typed, fully developed, cited to authority where applicable, and written clearly. Late exams may not receive full credit. 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 complete the assigned readings before class and to prevent you from falling behind. **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 Returns:** In this course we will frequently talk about both tax planning and compliance. Both are important and they often go hand in hand. We will address planning issues through the homework assignments, class discussions, and the exams. We will address compliance issues by doing a set of state tax returns for a corporation doing business in more than one state. Two drafts of the return will be completed—one for review by others in the class (peer review) followed by a second (final) draft for review by me. Details on the tax return project will be provided later in the semester.

**Class Participation & 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:**
   a. **The use of cell phones/tablets/laptops.** See the Policy on the Use of Electronic Devices in Class in Part V, below.

   b. **Arriving late.** We have a lot of material to cover, and thus we will begin class on time (4:30pm). **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. **Class participation is critical in this course because learning state taxation requires a lot of analysis and discussion of court cases and other materials.** Students are expected to come to class having completed the reading/homework assignments and prepared to discuss them intelligently. If you are not regularly prepared for class, your grade may be reduced.
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.¹

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.)²

² 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.3

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:

<table>
<thead>
<tr>
<th>POLICY ON ELECTRONIC DEVICES IN CLASS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the absence of a pre-approved emergency situation, <strong>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.</strong> Student violating this policy will experience the following consequences:</td>
</tr>
<tr>
<td>First-time violation: A warning.</td>
</tr>
<tr>
<td>Second-time violation: Class participation grade reduced to zero.</td>
</tr>
<tr>
<td>Subsequent violations: Course grades further reduced in increments of 5 points (out of 100) for each violation.</td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

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. Adopt-a-State Project Details

This project will help you learn how to use online tax databases to research state-specific tax questions. This project has four parts:

1) **Discussion Board Postings on Your Adopted State:** You will select a state to “adopt” (besides Idaho—which everyone will research—see below). Each state may be adopted by only one student. The state you select must have both a sales tax and a corporate income tax/franchise tax. (I may grant exceptions to this policy if you are willing to adopt 2 states—one with a sales tax but no corporate income tax and the second with a corporate income tax but no sales tax). I reserve the right to assign or re-assign specific states among the class members to get more coverage and/or equitably allocate the workload. Throughout the semester, you will be responsible for researching the tax laws of your adopted state. You will post answers to various questions on your adopted state using the online Discussion Board feature on Blackboard. Questions will be posted throughout the semester. You must answer the posted questions online by the deadlines announced in class—normally about a week after questions are posted. You will answer the questions given by using our electronic resources (IntelliConnect, Checkpoint, or State Tax Today). The posted answers should be written in your own words (no copying and pasting from the tax services) but should be cited to the appropriate authority (i.e., cited to the state tax codes, NOT to IntelliConnect or Checkpoint editorial explanations of the law).

2) **Current News:** In addition to answering specific questions on your adopted state, you must also summarize (on a special forum on the Discussion Board) interesting state tax news (the news can, but need not, be from your adopted state). You must post summaries of news stories at least twice (but feel free to do more). In addition, you must comment, at least once, on another student’s current news posting. State Tax Notes is an excellent source of tax news stories.

3) **Review of States Adopted by Others:** You will choose a second state (one adopted by someone else in the class) and act as a reviewer/social worker with the respect to that state. Basically, you will review the Discussion Board postings made by the student who adopted the state for accuracy and post (online) comments/suggestions/corrections, etc. with regard to the other student’s work.
You must complete your review and note any corrections (or note that no corrections are required) by the deadlines indicated—normally about a week after the answers to the questions are due.

4) **Idaho:** Each student will independently research tax questions related to Idaho. These questions will be the same questions that were answered (via the Blackboard Discussion Board) for the adopted states. **However, the Idaho questions will NOT be answered using the Discussion Board.** Instead, the Idaho portion of the adopt-a-state project will culminate in the preparation of memos answering the questions. One memo will be due in the middle of the semester and will address general questions and sales/use tax questions. A second memo will be due towards the end of the semester and will address questions on the corporate income tax. The memos should be written in your own words (no copying and pasting from the tax services) but should be cited to the appropriate authority (i.e., cited to the state tax codes, NOT to IntelliConnect or Checkpoint editorial explanations of the law). To avoid bottlenecks near the memo due dates, you should work on the questions a little each week—ideally as you are researching the same questions for your adopted states.

Grading: Collectively, parts 1, 2, & 3 of the assignment represent 10% of your grade. Part 4 (Idaho) represents an additional 10% of your grade. Further details on the adopt-a-state project will be forthcoming.

### VII. Homework Assignments & Tentative Schedule

The [tentative schedule](#) of topics to be covered and specific homework assignments are listed on the pages that follow. **Because each class has its own rhythm/pace, this schedule is subject to change.** Assignments will require reading in the textbook and will include a list of problems or questions to be answered in advance of the next class meeting. Assignments 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. State taxation is a dynamic area and, thus, as the semester progresses, I may add additional assignments and/or eliminate specific readings, cases, or other portions of a particular assignment.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment Due[^4]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, Aug. 22</td>
<td>Introduction to the Course</td>
<td></td>
</tr>
<tr>
<td>Thursday, Aug. 24</td>
<td>Overview of Common State Taxes</td>
<td>Assignment #1</td>
</tr>
<tr>
<td></td>
<td>Constitutional Law Refresher</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Aug. 29</td>
<td>Constitutional Law Limitations: Commerce Clause</td>
<td>Assignment #2</td>
</tr>
<tr>
<td>Thursday, Aug. 31</td>
<td>Constitutional Law Limitations: Commerce Clause</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Sept. 5</td>
<td>Constitutional Law Limitations: Commerce Clause</td>
<td>Assignment #3</td>
</tr>
<tr>
<td>Thursday, Sept. 7</td>
<td>Constitutional Law Limitations: Commerce Clause</td>
<td>Assignment #4</td>
</tr>
<tr>
<td>Tuesday, Sept. 12</td>
<td>Constitutional Law Limitations: Commerce Clause</td>
<td>Assignment #5</td>
</tr>
<tr>
<td>Thursday, Sept. 14</td>
<td>Constitutional Law Limitations: Commerce Clause—Tax Incentives &amp; Other Modern Complexities</td>
<td>Assignment #6</td>
</tr>
<tr>
<td>Tuesday, Sept. 19</td>
<td>Constitutional Law Limitations: Equal Protection</td>
<td>Assignment #7</td>
</tr>
<tr>
<td>Thursday, Sept. 21</td>
<td>Constitutional Law Limitations: Due Process</td>
<td>Assignment #8</td>
</tr>
<tr>
<td>Tuesday, Sept. 26</td>
<td>Sales &amp; Use Taxes: Overview</td>
<td>Assignment #9**</td>
</tr>
<tr>
<td>Thursday, Sept. 28</td>
<td>Sales &amp; Use Taxes: Overview</td>
<td></td>
</tr>
</tbody>
</table>

[^4]: Note: One set of important assignment due dates is NOT posted to this schedule: due dates associated with the Blackboard Discussion Board portion of the adopt-a-state project. These assignments require flexibility and so due dates will be announced in class periodically during the semester.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, Oct. 3</td>
<td>Sales &amp; Use Taxes: Cases</td>
<td>Assignment #10</td>
</tr>
<tr>
<td>Thursday, Oct. 5</td>
<td>Sales &amp; Use Taxes: Cases</td>
<td>Assignment #11</td>
</tr>
<tr>
<td>Tuesday, Oct. 10</td>
<td>Sales &amp; Use Taxes: Cases</td>
<td>Assignment #12</td>
</tr>
<tr>
<td></td>
<td>Idaho Portion of Adopt-a-State Project—Part I Due</td>
<td></td>
</tr>
<tr>
<td>Thursday, Oct. 12</td>
<td>Sales &amp; Use Taxes: Entity Isolation Distribute Midterm</td>
<td>Assignment #13</td>
</tr>
<tr>
<td></td>
<td>Prepare an answer to the Sample Exam Question</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Oct. 17</td>
<td>Unclaimed Property</td>
<td>Midterms Due</td>
</tr>
<tr>
<td>Thursday, Oct. 19</td>
<td>Corporate Income Taxes: Overview</td>
<td>No assignment due, but please get a head start on Assignment #14</td>
</tr>
<tr>
<td>Tuesday, Oct. 24</td>
<td>Corporate Income Taxes: Cases and Planning (Nexus)</td>
<td>Assignment #14**</td>
</tr>
<tr>
<td>Thursday, Oct. 26</td>
<td>Corporate Income Taxes: Cases and Planning (Nexus &amp; Apportionment)</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Oct. 31</td>
<td>Corporate Income Taxes: Cases and Planning (Apportionment)</td>
<td>Assignment #15</td>
</tr>
<tr>
<td>Thursday, Nov. 2</td>
<td>Corporate Income Taxes: Cases and Planning (Apportionment)</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Nov. 7</td>
<td>Corporate Income Taxes: Cases and Planning (Unitary &amp; Combined Reporting Issues)</td>
<td></td>
</tr>
<tr>
<td>Thursday, Nov. 9</td>
<td>Corporate Income Taxes: Cases and Planning (Unitary &amp; Combined Reporting Issues)</td>
<td>Assignment #16</td>
</tr>
<tr>
<td>Tuesday, Nov. 14</td>
<td>Corporate Income Taxes (Planning Structures)</td>
<td>Assignment #17</td>
</tr>
<tr>
<td>Date</td>
<td>Activity</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Thursday, Nov. 16</td>
<td>Peer Review of Tax Returns</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Nov. 21</td>
<td>NO CLASS—THANKSGIVING HOLIDAY BREAK</td>
<td></td>
</tr>
<tr>
<td>Thursday, Nov. 23</td>
<td>NO CLASS—THANKSGIVING HOLIDAY BREAK</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Nov. 28</td>
<td>Corporate Income Taxes (Planning Structures and Wrap-Up)</td>
<td></td>
</tr>
<tr>
<td>Thursday, Nov. 30</td>
<td>Guest Speaker: Introduction to Idaho Property Taxes</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Dec. 5</td>
<td>Review &amp; Catch Up</td>
<td></td>
</tr>
<tr>
<td>Thursday, Dec. 7</td>
<td>Introduction to Multijurisdictional Tax Issues in Indian Country</td>
<td></td>
</tr>
<tr>
<td>Tuesday, Dec. 12</td>
<td>FINAL EXAM DUE BY 9:00am in MBEB 3102</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Assignments 9 & 14 are rather long and could not be easily broken up into digestible portions. You may want to begin working on these two assignments well in advance of the due dates.
VIII. Specific Assignments

The following sets forth the specific homework that you should complete prior to the date assigned in the syllabus. Page references are to the textbook. Any Online Supplemental Readings are noted.

**Assignment #1**

1. Skim the U.S. Constitution (Online Supplemental Readings) and be prepared to discuss the following:
   a. What does the Constitution do?
   b. Who gave the federal government its power?
   c. Whatever it does, why do such things through a Constitution, instead of an ordinary statute?
   d. To the extent the Constitution protects individual rights, against whom does it provide its protection?
   e. Does the Constitution require individual citizens to do anything or prohibit individual citizens from doing anything?
   f. Are there any important rights/protections we enjoy that are NOT guaranteed by the Constitution?
   g. Does the Constitution require the government to give its citizens anything (e.g., education, medical care, etc.)?

2. Read the following parts of the U.S. Constitution, which we will be discussing in connection with a state’s power to tax:
   a. Commerce Clause: Article I, Section 8
   b. Equal Protection Clause: Amendment XIV, Section 1
   c. (State) Due Process Clause: Amendment XIV, Section 1

3. Read “Excerpt from Why States Matter” (Online Supplemental Readings)


5. Note: There is no quiz for Assignment #1

---

5 Note: This is the 2012 U.S. Supreme Court case on health care reform. We will be reading a couple of brief excerpts from it. For those of you who want to dive into this issue further, the full (193 page!) case is available in the “Optional Readings” folder in Course Documents in Blackboard. I am only asking you to read a couple of brief excerpts (that are relevant for our purposes) in the Online Supplemental Readings folder.
Assignment #2
1. Read "Excerpt #2: Commerce Clause" from National Federation of Independent Business v. Sebelius (Online Supplemental Readings)
2. Read “Article on the Green Book” (Online Supplemental Readings)
3. Quickly flip through “The Green Book” (Online Supplemental Readings)
4. Listen to NPR Story “Forced to Seat Blacks, Ala. Restaurant Complied With History” (available here or follow the link posted on Online Supplemental Rulings)
5. Read Complete Auto Transit, Inc. v. Brady (pages 1-21 thru 1-27)
   a. Summarize the facts
   b. This case overruled the old “Spector Rule” which let states know when they could and could not tax companies doing business in interstate commerce.
      i. What was the Spector Rule?
      ii. What were the advantages of using a test like the Spector Rule in administering the tax law?
      iii. What were the disadvantages of using a test like the Spector Rule in administering the tax law?
   c. What are the “four prongs” of the Complete Auto test?
   d. Can you give an example of a “tailored tax” mentioned in Footnote 15?
   e. Answer Questions 16 & 17 (page 1-28)
6. Complete the Assignment #2 Quiz

Assignment #3
1. Read Commonwealth Edison v. Montana (pages 1-54 thru 1-64)
   a. Summarize the facts
   b. Answer Questions 4, 5 & 15 (pages 1-65 thru 1-66)
   c. Read Comment 20 (page 1-67)
   d. Is the outcome of this case fair?
2. Complete the Assignment #3 Quiz

Assignment #4
1. Read Fulton Corporation v. Faulkner (pages 1-141 thru 1-147)
   a. Summarize the facts
   b. If a tax discriminates against interstate commerce (e.g., the tax is only applied to interstate commerce), what three tests must it meet to be constitutional?
   c. Read Comment 1 (pages 1-147 thru 1-148)
   d. Answer Question 11 (page 1-149)
   e. Read “Back-Tax Hit Sparks Fury” (Online Supplemental Readings)
2. Complete the Assignment #4 Quiz
Assignment #5
1. Read Camps Newfound/Owatonna, Inc. v. Town of Harrison, Maine, et al. (pages 1-151 thru 1-170)
   a. Summarize the facts
   b. This case deals with a nonprofit entity—so how can the Court get away with using the Commerce Clause in making its decision?
   c. Based on Scalia’s & Thomas’s dissenting opinion:
      i. How do Scalia and Thomas feel about the Dormant Commerce Clause?
      ii. How does Scalia view the issue of discrimination between camps that serve non-residents and those that serve residents?
   d. If Maine decided to make a cash payment to camps that served residents but refused to make a similar payment to camps that served non-residents, would this be constitutional? Are cash subsidies treated the same as tax exemptions under the Commerce Clause?
2. Watch the video “The Supreme Court: Home to America’s Highest Court” (link here and on Online Supplemental Readings). The video is about 1 hour and 27 minutes long. You may be directed to a version that is nearly 3 hours long. In that version, for some reason the video plays twice. You just need to watch until the credits roll about 1 hour and 27 minutes in. Please make a note of any issues raised by the video that you would like to discuss in class.
3. Complete the Assignment #5 Quiz

Assignment #6
1. Read bottom of page 1-179 thru top of page 1-183
2. Read Charlotte Cuno, et al., v. DaimlerChrysler, Inc. (pages 1-183 thru 1-188)
   a. Summarize the facts
   b. Does this decision put in jeopardy other “job-creating” tax incentives offered by other states?
   c. Read Comments 18 &19 & the excerpt from “Taxing Smarter and Fairer” (bottom of page 1-190 thru bottom of 1-195)
3. Read “WSJ Article on Film Credits” (Online Supplemental Readings)
4. Read “WSJ Article on Graceland” (Online Supplemental Readings)
5. Briefly Review “Megadeals” (Online Supplemental Readings); just flip through the report to see examples of how states subsidize industry
7. Complete the Assignment #6 Quiz
Assignment #7

1. Read pages 2-1 thru top of 2-2
2. Read Lenhausen v. Lake Shore Auto Parts (bottom of page 2-11 thru top of page 2-15)
   a. Summarize the facts
   b. Answer Questions 3 & 4 (page 2-15)
3. Read Armour v. City of Indianapolis (pages 2-63 thru 2-70) [Note: There appears to be a typo in the book on page 2-68; the dissent by Chief Justice Roberts actually starts with “Twenty-three years ago, we released a succinct and unanimous…”; the small paragraph that begins “For these reasons, we conclude…” belongs in the majority’s opinion. There is also a typo on page 2-69—see if you can find it.]
   a. How would you feel about the Court’s decision if you had prepaid the sewer assessment on your property?
   b. Do you agree with the majority opinion (written by Justice Breyer) or the dissenting opinion (written by Chief Justice Roberts)?

4. Complete the Assignment #7 Quiz

Assignment #8

1. Read Quill Corp. v. North Dakota (pages 3-19 thru 3-31)
   a. Summarize the facts
   b. Note that the Court split “Commerce Clause Nexus” from “Due Process Nexus”
      i. Why did the Court make this split?
      ii. What is the significance of this split?
      iii. What are the standards under each type of nexus?
   c. Answer Questions 2, 12, & 21 (pages 3-31 thru 3-35)
   d. What are the advantages and disadvantages of Quill’s test for Commerce Clause nexus?
   e. After Quill, is physical presence required before states can demand use tax collection? Or does Quill just provide a safe harbor for companies that ship into the state via common carriers?
   f. Does Quill’s rule about physical presence apply to nexus for corporate income tax purposes?
   g. Will any physical presence in a state, no matter how small, create nexus?
3. Read “South Dakota 2016 Nexus Law” (Online Supplemental Readings)
4. Read “Proposed Legislation to Codify Quill” (Online Supplemental Readings)
5. Read Hillenmeyer v. Cleveland Board of Review (Online Supplemental Readings) and summarize the case.
6. Complete the Assignment #8 Quiz
Assignment #9
[As noted above, this assignment is LONG]
1. Read page 6-1 thru bottom of page 6-44
   a. Come up with two questions (or more) on this material that you would like to discuss in class
   b. Why do companies care whether or not they collected the right amount of sales tax? Isn’t it the customer’s problem?
   c. Why does Pomp advocate imposing the sales tax on services?
   d. Why does Pomp advocate exempting business inputs from the sales tax?
   e. Would someone who is politically conservative favor a law that requires a sales tax to be separately stated on cash register receipts?
2. Read “Sales Tax Holidays: Politically Expedient but Poor Tax Policy” (Online Supplemental Readings)
3. Complete the Assignment #9 Quiz

Assignment #10
1. Defining a Sale:
   a. Read page 7-1 thru top of 7-5
   b. Read Columbia Pictures Industries v. Tax Commissioner (pages 7-12 thru 7-15)
      i. Summarize the case
      ii. Answer Questions 5 & 6 (page 7-15)
   c. Read “New York Satellite Ruling” (Online Supplemental Readings)
2. Sale for Resale Exemptions:
   a. Read middle of page 7-31 thru bottom of page 7-32
   b. Read Wisconsin Department of Revenue v. Milwaukee Brewers Baseball Club (pages 7-46 thru 7-47)
      i. Summarize the case
      ii. Answer Questions 1 & 2 (page 7-48)
      iii. Read Comment 14 (page 7-49)
   c. Read Gracie, LLC and Barnes & Barnes Enterprises, LLC v. Idaho State Tax Commission (Online Supplemental Readings) and summarize the case
   d. Read Alabama Department of Revenue v. Logan’s Roadhouse, Inc. (Online Supplemental Readings) and summarize the case
3. Definition of Tangible Personal Property:
   a. Read Dine Out Tonight Club v. Department of Revenue Services (pages 7-49 thru 7-50)
      i. Summarize the case
      ii. Answer Questions 7, 9, & 11 (pages 7-51 thru 7-52)
   b. Read “New York Membership Fee Ruling” (Online Supplemental Readings)
      i. Can you guess the identity of the “Petitioner” in the ruling?
4. Read the examples of the tax treatment of coupons, rebates, etc. on pages 7-58 thru 7-60
5. Read “New York Prepaid Discount Vouchers Ruling” (Online Supplemental Readings)
6. Complete the Assignment #10 Quiz
Assignment #11
1. Read Idaho State Tax Commission v. Boise Cascade (pages 7-60 thru 7-62) and summarize the case
2. Ingredient & Component Exemption
   a. Read middle of page 7-63 thru top of 7-64
   b. Read American Stores Packing v. Peters (pages 7-64 thru 7-65)
      i. Summarize the case
      ii. Answer Question 2 (page 7-66)
3. Manufacturing Related Exemptions
   a. Read top of page 7-70 thru the bottom of page 7-71
   b. Read Connecticut Water Company v. Barbato (pages 7-76 thru 7-78) and summarize the case
4. Read Chittenden Trust Co. v. King (Online Supplemental Readings) and summarize the case
5. Read “New York Advisory Opinion on E-books” (Online Supplemental Readings)
6. Complete the Assignment #11 Quiz

Assignment #12
**Note: We are moving on to Volume II of the Pomp book**
1. Read pages 9-1 thru 9-2
2. Read Halliburton Oil Well Cementing Co. v. Reily (pages 9-9 thru 9-14)
   a. Summarize the case
   b. Answer Questions 2 & 3 (page 9-15)
3. Read Miller Brothers Co. v. Maryland (pages 9-41 thru 9-44)
   a. Summarize the case
   b. Answer Question 5 (page 9-44)
4. Read Scripto, Inc. v. Carson (pages 9-46 thru 9-47) and summarize the case
5. Read National Geographic Society v. California State Board of Equalization (pages 9-50 thru 9-53) and summarize the case
6. Complete the Assignment #12 Quiz

Assignment #13
1. Read Borders Online v. State Board of Equalization (Online Supplemental Readings)
   a. Summarize the case
   b. Answer Question 3 on page 9-57 of the Borders Online case
3. The “Amazon Laws”: Read Overstock.com, Inc. v. New York State Department of Taxation and Finance (pages 9-60 thru 9-66)
   a. Summarize the case
   b. Read Comments 1, 17, & 18 (pages 9-66 thru 9-70)
4. Complete the Assignment #13 Quiz
Assignment #14

[As noted above, this assignment is LONG]

1. Read selected part of Chapter 10, as follows:
   a. Read pages 10-1 thru top of 10-29
   b. Skip middle of page 10-29 thru top of 10-32
   c. Read top of page 10-32 thru top of 10-36
   d. Skip top of page 10-36 thru bottom of 10-37
   e. Read bottom of page 10-37 thru 10-41
   f. Skip pages 10-42 thru 10-55
   g. Read top of page 10-56
   h. Skip bottom of page 10-56 thru middle of 10-62
   i. Read middle of page 10-62 thru top of 10-74
   j. Skip middle of page 10-74 thru top of 10-81
   k. Read middle of page 10-81 thru 10-101
   l. Skip the rest of the chapter; but we will refer to some of it in class

2. P.L. 86-272:
   a. Read Comment 1, which is the text of P.L. 86-272, on the bottom of page 11-12 thru top of page 11-14
   b. Read Wisconsin Department of Revenue v. Wrigley Co. (pages 11-1 thru 11-12) and summarize the case

3. Complete the Assignment #14 Quiz

Assignment #15

1. Allocation & Apportionment
      i. Summarize the case
      ii. Answer Question 1 (page 11-33)
   b. Read Moorman Manufacturing Co. v. Bair, Director of Revenue of Iowa (pages 11-42 thru 11-51)
      i. Summarize the case
      ii. Answer Question 17 (page 11-52)

2. Complete the Assignment #15 Quiz

Assignment #16

1. Read Mobil Oil Corp. v. Commissioner of Taxes of Vermont (pages 11-57 thru 11-69)
   a. Summarize the case
   b. Answer Questions 1 & 8 (pages 11-69 thru 11-70)

2. Read Container Corporation of America v. Franchise Tax Board (pages 11-105 thru 11-122)
   a. Summarize the case
   b. Answer Question 5 (page 11-122)

3. Read Allied-Signal, Inc. v. Director, Division of Taxation (pages 11-178 thru 11-186)

4. Skim “Mud and Moonlight in Vermont” (Online Supplemental Readings)

5. Complete the Assignment #16 Quiz
Assignment #17
1. Read “How Apple Sidesteps Billions in Taxes” (Online Supplemental Readings)
   a. Summarize the case
   b. Did the court do a good job of analyzing the Commerce Clause?
3. Read the Sherwin Williams Company v. Commissioner of Revenue (Online Supplemental Readings) and summarize the case
4. Read Syms Corp. v. Commissioner of Revenue (Online Supplemental Readings) and summarize the case
   a. What are the key differences between the holding company operations in Syms and Sherwin Williams?
5. Read KFC Corporation v. Iowa Department of Revenue (pages 11-231 thru 11-240)
   a. Summarize the case
   b. What are the factual differences between the Geoffrey case and the KFC case?
6. Complete the Assignment #17 Quiz

Assignment #18
**Note: We are returning, for old times’ sake, Volume I of the Pomp book**
1. Read Comptroller of the Treasury of Maryland v. Wynne (pages 1-243 thru 1-266)
2. Read “Steve and Clara” (Online Supplemental Readings)
3. Complete the Assignment #18 Quiz

Assignment #19
1. Read the article, “Anatomy of a State/Tribal Tax Dispute: Legal Formalism, Shifting Incidence, Potatoes, and the Idaho Motor Fuel Tax” (Online Supplemental Readings)
2. Complete the Assignment #19 Quiz
IX. Advice for Doing Well

Multistate taxation can be difficult because of the amount and difficulty of the reading. 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\(^6\) to succeed in this course:

1) **Immersion:** Read the assigned materials before class, complete the quiz, and think about any questions that have been included in the assignment. This stage will be frustrating, since the material will be new to you and it can be hard to decipher court cases—especially ones written many years ago. Immersion, however, is necessary to enable you to get the most out of our class meetings.

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 570 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. **Note:** Even if things were unclear when you did your reading (at the Immersion stage), they should become clear after we have reviewed the material in class. This is especially true for the court cases we will be discussing. If the material is not clear even after we have gone over it, please come see me after you have completed the Assimilation phase (see below).

3) **Assimilation:** Review your class notes 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. Sometimes, a concept may appear “easy” after we have gone over it in class. But if you don’t truly understand the concept, you may confuse it with many other “easy” concepts that we go over in class. And such confusion can spell trouble on the exam. **THUS, DO NOT WAIT UNTIL YOU GET THE EXAM TO LEARN THE MATERIAL!**

---

\(^6\) 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.
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 and to host the Discussion Board part of the adopt-a-state assignment. 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 & Economics Core:
This course addresses the following parts of the College of Business & 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

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.

OUR DREAM
A collaborative, engaged, and dynamic community of learners...

BOISE STATE UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS